

DOCUMENT RESUME

ED 336 555

CE 058 917

TITLE Further Education and Training of the Labour Force.
Country Report: United Kingdom.

INSTITUTION Organisation for Economic Cooperation and
Development, Paris (France).

PUB DATE 90

NOTE 72p.; For related reports, see CE 058 913-918.

PUB TYPE Reports - Descriptive (141)

EDRS PRICE MF01/PC03 Plus Postage.

DESCRIPTORS *Adult Vocational Education; *Continuing Education;
Educational Change; Educational Legislation;
Education Work Relationship; Federal Aid; Federal
Government; Foreign Countries; *Government Role;
Government School Relationship; Industrial Training;
*Job Training; *Labor Force Development;
*Participation; Postsecondary Education; Public
Policy

IDENTIFIERS *United Kingdom

ABSTRACT

Further education is provided by local authorities in the United Kingdom in fulfillment of their statutory duties under the Education Reform Act (ERA) of 1988. Through the ERA and its counterparts in Scotland and Northern Ireland, the government aims to increase the efficiency and effectiveness of further education colleges. Educational finance includes student grants and local education agency funding of further education colleges. Labor market programs in Great Britain are delivered via the Training Agency. The government's primary training programs include the Youth Training Scheme, Community Industry Scheme, Employment Training, the Job Training Programme (Northern Ireland), and Business Growth Training. Other providers of education and training (employers; trade unions, through the Trade Union Congress; and private providers) are funded by central government departments other than those with main responsibility for education and training. Three main types of provider are publicly funded institutions, nonprofit providers with a reasonable degree of autonomy from government, and for-profit providers. Competition within local markets appears to be based on reputation and quality of provision. Sources of information about further education and training include the Careers Service, prospecti, databases, and the media. About 300 examining and validating and professional bodies are involved in vocational education and training. (YLB)

* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *

Paris, February, 1990

English text only

FURTHER EDUCATION AND TRAINING OF THE LABOUR FORCE

Country Report : UNITED KINGDOM

Following the OECD Intergovernmental Conference on Education and the Economy in a Changing Society held in Paris in March 1988, the Organisation -- on the recommendation of its Education Committee and its Manpower and Social Affairs Committee -- initiated new work on the Further Education and Training of the Labour Force.

As part of that new work, a number of Member countries agreed to prepare reports, according to a framework prepared by the Secretariat, that would provide for each of the countries concerned an overview of policies, practices, and institutional arrangements regarding the provision of and participation in further education and training of the labour force. The information made available in these country reports, together with other relevant material, will be brought together in a general report on the subject to be prepared by the Secretariat.

This is the report submitted by the United Kingdom authorities.

Copyright OECD 1990

24955

CONTENTS

	<u>Page</u>
CHAPTER 1 Overview of further education and training of the workforce in the United Kingdom	3
CHAPTER 2 The role of the education sector	7
CHAPTER 3 Labour market programmes	21
CHAPTER 4 Involvement by other public sector institutions	38
CHAPTER 5 The role of employers	43
CHAPTER 6 Trade Union education and training	51
CHAPTER 7 The role of private providers of education and training	53
CHAPTER 8 The market for further education and training	57
CHAPTER 9 Sources of information about further education and training	60
CHAPTER 10 Arrangements for assessment and certification	64
APPENDIX 1 Training in Britain	68
APPENDIX 2 Glossary of abbreviations used	69

1.1 This report draws heavily on the findings of a wide ranging study of vocational education and training in Britain, "Training in Britain." Details of the research programme undertaken for this are at Appendix 1.

1.2 On the basis of this research, it is estimated that about 350 million days (or 1.5 million man years) of training were undertaken by trainees and students in 1986/87. This is equivalent to about 7% of the total number of man days worked by all employees in Britain in 1987.

Table 1.1

Number and Share of Total Education/ Training Days
by Provider type, GB, 1986-87

Provider Type	Number of Training Days (millions)	% of Total
Employers (Internal) (1)		
On-the-Job	56	16
Off-the-Job	59	17
Total	115	33
Private Providers	15	4
Post-compulsory Education (2)		
Public Sector (3)	170	49
Universities (4)	50	14
	-----	-----
	350	100
	-----	-----

Notes; (1) Employers sponsored around 145 million days, of which some 30 million were provided by the education sector and by private providers.

(2) Excludes schools. It is estimated that around 95 million days of education were provided in schools to pupils aged 16 or over in 1986/87.

(3) Includes Polytechnics and other higher education colleges; Colleges of Further Education and related institutions; tertiary colleges and adult education centres.

(4) includes Open University courses

Sources include; Training in Britain; Employers' Activities; Training in Britain; Private Providers; and DES statistics

1.3 Table 1.1 shows how this overall total is split between the main categories of provider. Colleges, polytechnics and universities are the largest providers, accounting for 63% of all training days. 33% of all training days take place on employers' premises. Private providers account for about 4% of all training days.

1.4 Some 5 million people were engaged in post-compulsory education in the UK in 1986/87 (see table 1.2). There were over 1 million students in higher education. About 4 million people were enrolled on courses of further education, of whom 90% were studying part-time. Also included in this group were 2 million people attending adult education courses. Some 31% of those in higher education and some 47% of those in further education were aged 25 or over.

Table 1.2
Home Students in Post Compulsory Education,
UK, 1986/87 (Thousands)

Level and mode of Participation	All	Aged 25 and over	
	Numbers	Numbers	%
Further Education;			
Full-time	405	40	10
Part-time	3,646	1,861	51
Total Further Education	4,051	1,901	47
Higher Education			
Full-time	556	76	14
Part-time	449	235	52
Total Higher Education	1,005	311	31

Source; Department of Education and Science

1.5 The total accounting costs of training, including the implicit costs to most trainees of forgone earnings, is probably in the region of £33 billion (see table 1.3). This may also be taken as a rough indication of the total economic costs of training, which amount to some 8% of Gross Domestic Product (GDP) in 1986/87. By way of comparison, in the same year, investment in physical capital such as buildings and equipment accounted for 17% of GDP.

1.6 However, despite the amount of money currently spent on training and further education of the workforce, more still needs to be done to train enough people in the skills which will be

needed in the 1990s and beyond. In Chapter 3 of the report are described many of the new initiatives which have recently been developed and which have made the last 5 years the most significant this century in education and training. More young people have had greater access to higher quality and more relevant education and training than has been the case in the past. Exciting new opportunities have been developed for adults, both employed and unemployed, in the course of their working lives. Standards have been raised. The need for more management training has been recognised. Government expenditure on training has risen from £458 million in 1979 to £3 billion in 1988/89.

Table 1.3
Overall Costs of Training in Britain 1986/87 £bn

Employers	18
(of which private sector)	(11)
Government	7
Individuals	8
TOTAL	33

Source; Training Agency estimates

Notes; (1) If the figures here are to be taken as a rough guide to economic costs they cannot be taken as estimates of the value of resources which would be available for other purposes if all firms and trainees decided to abandon training simultaneously. Rather they are the sum of millions of individual economic costs each considered separately.

(2) The emphasis in this report is on the attribution of training costs to the functional categories of agent involved, ie trainees, employers, government and so on. But all costs can ultimately be traced back through channels of ownership to individuals (or households) in their various capacities as trainees, tax payers and shareholders.

1.7 Chapter 3 also describes the new training framework which the Government is helping to establish in a new partnership with employers at national, sectoral and local level to ensure that training is carried out on the scale and to the quality required by the economy. This reform is based on the principle that the primary responsibility for ensuring that the labour force has all necessary skills rests with employers as both providers and consumers of training.

1.8 In the publicly funded education sector the Government has also introduced reforms which have increased flexibility in Further and Higher Education institutions, to enable them to respond to changing needs. Chapter 2 gives more details of the Education Reform Act (1988) and its counterparts in Scotland and Northern Ireland, through which the Government aims to increase the efficiency and effectiveness of further education colleges by giving them greater control over their operational management and reforming the composition of their governing bodies.

1.9 Individuals also have a crucial role to play. "Training in Britain" found that 58% of the economically active adults who had recently received employer-sponsored training perceived real long-term benefits such as improved earnings and job satisfaction. Around 60% of those who had recently received training funded from other sources expected similar long-term benefits. 58% of economically active adults surveyed thought they would undertake training in the future, and nearly two thirds of these could envisage doing so without employer sponsorship.

1.10 As the pace of change accelerates, individuals need to be committed to adapting their skills and acquiring new ones throughout the course of their working lives. For individuals, investment in training is the best way to ensure both greater job security and enhanced earning over the course of their working lives.

LEGAL BASE OF FURTHER AND HIGHER EDUCATION**Further Education**

2.1 Further education (FE) is provided by local authorities in England in fulfillment of their statutory duties under Section 120(2) of the Education Reform Act [1988](ERA). This section states that;

"It shall be the duty of every local education authority to secure the provision for their area of adequate facilities for further education".

2.2 For the purpose of the Act, "further education" means:

"(a) Full-time and part-time education for persons over compulsory school age and;

(b) Organised leisure-time occupation provided in connection with such education".

2.3 The Act requires authorities to take a strategic planning role for FE in their areas, but to delegate all detailed planning and day-to-day management to college governing bodies.

2.4 In Scotland Further Education is provided by local authorities under the Education (Scotland) Act 1980. In Northern Ireland, five Education and Library Boards are responsible under the Education and Libraries (Northern Ireland) Order 1986 for providing adequate facilities for the further education of all those over school leaving age in their area. New legislation in Scotland and Northern Ireland will introduce a similar package of reforms to that introduced in England and Wales by the Education Reform Act.

Higher Education

2.5 The majority of institutions in the new Polytechnics and Colleges Funding Council (PCFC) sector were formerly maintained or assisted by local authorities. The sector also includes the voluntary colleges - that is colleges established by educational foundations, usually religious - formerly funded by the Department, and certain specialist colleges, again formerly funded by the Department. In the sector there are 29 English polytechnics, 56 major colleges and institutes of higher education and specialist colleges (the latter mostly in art and design). In Scotland, the Scottish Education Department and the Department of Agriculture and Fisheries for Scotland provide direct funding for 15 central institutions.

2.6 All of the institutions in the sector are now independent free-standing corporate bodies, wholly responsible for their own affairs.

2.7 The 48 British universities and two Northern Ireland universities are incorporated by Royal Charter or by Act of Parliament and enjoy a considerable degree of freedom to manage their own academic, administrative and financial affairs. The Government is not involved in the day-to-day running of universities.

PRIMARY PURPOSE OF SECTOR

2.8 Institutions in the sector provide a wide variety of courses and qualifications, including further and higher education, and work-related training.

RELATIONSHIP/OVERLAP WITH OTHER SECTORS

2.9 The variety of needs, skills and ambitions amongst 16-19 year olds is enormous. A similar variety of education and training provision is needed to cater for it. Thus 16-19 provision has to be complex to cater effectively for the wide range of needs. Government is working to increase the range of options available, to reduce unnecessary duplication, and to make sure young people know what is on offer.

2.10 Colleges of Further Education deliver a high proportion of the off-the-job training within the Department of Employment's Youth Training Scheme and Employment Training programme and the Department of Economic Development's Youth Training Programme and Action for Community Employment scheme.

2.11 The education sector also runs courses for other public sector institutions, enterprises and trade unions.

HOW ARE DECISIONS MADE AND WHAT FACTORS AFFECT PROVISION?
WHAT RECENT INNOVATIONS HAVE THERE BEEN?

Decision Making

2.12 Strategic planning for FE in England and Wales is undertaken locally, by the LEA in consultation with colleges. It takes into account projected student demand, changing labour market needs, the development of new forms of provisions, the need to increase value for money and the need to secure appropriate opportunities for those over compulsory school age who have special educational needs. All day to day management decisions are taken by the college governing body, or by delegated authority, the Principal. Input on academic matters may be provided by the college Academic Board. To enable colleges to become increasingly responsive to the needs of the

local businesses which they serve, under the Education Reform Act at least 50% of all college governors must be drawn from the employment sector. Similar legislation will apply in Scotland from 1989.

2.13 The Education Reform Act (ERA) 1988 provided for the establishment of the PCFC. The members of the PCFC are appointed by the Secretary of State. The Council is an independent, statutory, non-departmental public body. Its powers and duties are laid down in the ERA. The Secretary of State has certain reserve powers of direction but may not intervene in funding decisions in relation to particular institutions. The Council is responsible for allocating the resources made available to it to support higher education in the PCFC sector; and to support certain designated courses of higher education in colleges remaining within the local authority sector.

2.14 HE institutions which were not already free-standing corporate bodies are to be conducted by statutory Higher Education Corporations, each with a Board of Governors appointed, initially, by the Secretary of State.

2.15 The Education Reform Act also provided for the establishment of a Universities Funding Council (UFC) as an independent executive body responsible for the allocation between individual universities of funds provided for that purpose by the Secretary of State.

2.16 In Northern Ireland decisions are largely taken locally by the Education and Library Boards and colleges

2.17 Adult education is a national service locally administered and wide autonomy is granted to local authorities, which receive block grant funding for all their activities including education, and also to educational organisations and institutions directly funded by central Government. To a large extent they determine their own educational programmes and it is their responsibility to assess and respond to the educational needs of adults.

Innovations

2.18 There have been a number of initiatives to increase the vocational relevance of further education and training and make it more relevant to the needs of firms. The Technical and Vocational Education Initiative (TVEI) is one example in the final years of secondary education in Great Britain. TVEI was launched as a pilot in November 1982 to widen and enrich the curriculum to help 14-18 year olds prepare for the world of work. It was extended into a national scheme in 1986.

2.19 TVEI has five main aims:-

- ensuring that the whole curriculum relates to the world of work;
- making sure young people have the skills and qualifications to compete in a highly technological society;
- giving young people direct opportunities in industry and the economy.
- encouraging young people to be effective and enterprising;
- providing guidance and counselling to ensure a smooth progression through their education and beyond.

By 1992 all schools and colleges in all authorities and all young people aged 14-18 should be covered by the initiative.

2.20 Education Authorities are required to submit proposals to the Training Agency in line with the aims and criteria of the initiative.

2.21 Grants are then provided to the Authorities to fund, for example, extra staff time to plan, consult upon and implement curricular innovations, design and teach new courses and to provide technical and administrative support. The basic period of financial support is for 5 academic years. Over £900 million has been committed to the programme over the ten years 1987-1997.

2.22 Enterprise in Higher Education (EHE) was launched in Great Britain in December 1987 in response to employers' wishes, to help increase the relevance of higher education to the world of work and develop students' enterprise skills.

2.23 Contracts are agreed between the Training Agency and higher education institutions, building on existing work in the institutions to encourage curriculum change. The most important features are:

- integration of learning of enterprise skills into the curriculum through a more active style of learning such as project work;
- that some learning should take place within a real economic setting.
- setting up of partnership arrangements with employers, including joint assessment of students' work where appropriate;

BEST COPY AVAILABLE

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

- ☒ This document has been reproduced as received from the person or organization originating it.
- ☐ Minor changes have been made to improve reproduction quality.

- Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

"PERMISSION TO REPRODUCE THIS
MATERIAL HAS BEEN GRANTED BY

J R West

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)."

- that the whole institution should be affected and not just individual faculties, departments or courses.

2.24 Programmes selected for funding receive an average of £1 million over 5 years. It is a condition of receiving Training Agency funding that employers contribute at least a further 25% in cash or kind over the first 2 years, rising to a substantial proportion from the third year. At the end of this 5 year period it is expected that programmes will be self-sustaining.

2.25 The REPLAN programme in England and Wales encourages the further development of suitable educational opportunities for unemployed adults by evaluating innovative provisions, identifying and disseminating success practice and promoting closer co-operation between different agencies in this complex field.

2.26 The Department of Education and Science and Scottish Education Department are encouraging universities, polytechnics and colleges to deliver more professional, industrial and commercial updating training. Colleges, polytechnics and universities are substantially increasing the quality and quantity of the work they do to meet the adult training, updating and retraining needs of employers and the workforce. New learning methods and approaches to the planning of training and updating activities are being developed, and awareness, particularly among employers, of the crucial need to invest in adult training is being increased.

2.27 The Professional, Industrial and Commercial Updating Programme (PICKUP) was launched in 1982 in England and Wales, and in 1987 in Scotland. PICKUP training is specifically vocational and is aimed at those already in employment. Collaboration between colleges and employers is a key feature. The training can take several forms:

- short courses and tailor-made training packages for individuals, sites or entire organisations
- action learning in which the job is the focus of study
- independent study involving programmes of open or distance learning
- in-house or on-site training bringing learning to the shop floor or office
- consultancy and research as well as advice and support services.

2.28 The Department of Education and Science does not pay directly for PICKUP courses but has provided venture capital to

assist with the new training developments. Training is paid for by the employer or participants at a level which covers the full cost of provision.

2.29 PICKUP is on course to meet an initial target of a five-fold increase in college-provided adult training between 1984 and 1992. This would mean some 10% of the working population receiving training under PICKUP annually.

DESCRIPTION OF EDUCATION AND TRAINING PROVIDED

2.30 Polytechnics and Colleges of Further and Higher Education provide a variety of full and part-time courses, vocational and non-vocational, initial training and continuing training; including: General Certificate of Secondary Education (GCSE); Business and Technician Education Council (BTEC) awards; Scottish Certificate of Education (SCE) and SCOTVEC (Scottish Vocational Education Council) awards (in Scotland); qualifications of professional bodies; Council for National Academic Awards (CNAA) and university validated degrees and higher degrees (including research degrees). A particular strength of the PCFC sector lies in courses leading to professional and vocational qualifications but it also provides courses across a full range of subjects-the main exceptions being medicine, veterinary science and dentistry.

2.31 Universities are national and international institutions catering primarily for full-time first degree students across the full range of academic provision. In addition, they carry out most institution-based fundamental research and a significant proportion of applied research.

2.32 British universities also provide some 500,000 places on approximately 20,000 post-experience short courses. These courses are of varying length but 90% of them provide less than 50 contact hours. Some 60% are liberal education courses in humanities; with shorter working hours and a shorter working life, the demand for education of this kind is increasing. Of the remaining 40% about half are courses for postgraduate doctors and dentists and for those engaged in para-medical and dental activities. The rest are courses in a great variety of other professional and vocational subjects: science and technology, business management and computer studies, social work and teacher training.

2.33 The broad area of general adult education includes instruction in leisure pursuits, adult basic education, access or return to study courses intended as a stepping-stone to further courses, and courses to meet specific needs, including those of the unemployed. Besides the institutions already mentioned, local education authority adult education centres, university extra-mural departments and voluntary organisations

such as the Workers' Educational Association, all share in this work.

2.34 Qualifications required for admission to a particular course depend on the level of that course. For admission to the BTEC Ordinary Diplomas and some courses of professional bodies, GCSE would normally be required. For admission to the higher level BTEC, professional body and degree courses, BTEC Ordinary Diploma, General Certificate of Education (GCE) Advanced Level would be needed. Similarly, for admission to SCOTVEC National Certificate, no formal qualifications are required. For admission to SCOTVEC Higher National Certificate, SCE Ordinary Grades and/or SCOTVEC National Certificate would normally be required. For SCOTVEC Higher National Diploma, SCOTVEC Higher National Certificate or National Certificate, or SCE Higher Grades would be needed.

2.35 In the case of mature students (as distinct from school leavers), many of whom may be workers, formal entry qualifications are not always required - relevant work experience or prior attendance on special access courses may be acceptable for admission purposes. It is for the polytechnic or college authorities to judge whether an applicant has the necessary ability and aptitude to benefit from a course of study. The Open University is an open access institution, with no entry qualifications.

FINANCE OF INDIVIDUALS IN EDUCATION

Maintenance grants

2.36 The grants system is comprised of 4 main components:

- i. Mandatory LEA awards in England and Wales and student awards in Scotland for those on designated courses - mainly first degree or equivalent courses and also Higher Diplomas and Postgraduate Certificates in Education. Paid by LEAs but with 90% reimbursed by DES (100% from April 1990), or paid directly by Scottish Education Department (SED). In 1990/91 the basic rates of grant will vary from £1645 p.a. if living at home in Scotland to £2650 p.a. if living away from the parental home in London. There are additions for study periods in excess of 30 weeks, for study abroad, and for particular categories of older students, the disabled single parents and others with dependents;
- ii. competitive and selective awards made by the DES, research councils and the British Academy for postgraduate study: rates of award vary between £1575 and £3970, depending on the type of course and on where

the student lives during the course, with additional allowances for age and experience.

- iii. LEA "full value" discretionary awards in England and Wales for students who are attending designated courses but who are ineligible for a mandatory award because they do not satisfy conditions relating to previous study or to length of residence in the UK. These awards are paid at the same rates as mandatory awards but at the discretion of LEAs. They are financed wholly out of local authorities' own income;
- iv. discretionary LEA awards in England and Wales for FE and other studies not covered by the types of award described above. (In Scotland Education Authorities have discretion to offer bursaries for all FE courses). These awards are financed out of local authority income and are not reimbursed by the Government. They are paid at whatever rates LEAs choose: some are "full value", or close to it; other are of a lesser value. There are wide variations between local authorities' award-making policies, with some making very few awards whilst others offer a substantial number.

2.37 Mandatory awards and most other LEA awards are means tested and require a contribution from parents or spouse, according to their income. And students' own unearned income, if any, is also taken into account.

2.38 In addition to these sources of grant, it is the Government's intention to introduce top-up loans for students attending full time courses of non-postgraduate higher education from 1990/91. These loans will supplement the grant, which will continue. At the same time, the Government intends to make resources available for 3 access funds - for postgraduate, other HE, and FE students respectively - to allow the educational institutions to provide additional support to students on a discretionary basis.

Other sources of financial support

2.39 The student grant system is not the only source of support available to students. Other important sources include:

- a. parents As well as providing means-tested contribution to their children's grants, parents often provide less formal financial support - particularly to students aged under 18 in FE, who are considered to be dependents for social security and other purposes. This support might range from providing board and lodging during periods of study or vacations to making loans or gifts to

help with the students' maintenance costs. Being informal, the extent of parental support is difficult to estimate

b. self support Many courses do not require full-time attendance throughout the year. Most students are thus able, if they wish, to undertake part-time or temporary employment.

c. employers Companies and other employers regularly second their employees, usually on full salary, to attend courses of vocational education or training. In addition, some employers offer students sponsorships or scholarships, some of which are conditional on the student undertaking to work for the company for a specified period after the course had finished.

d. banks For example, the Department of Employment launched Career Development Loans in 1988 to assist individuals who wish to take up vocational training and are prepared to finance it themselves. The Government pays the interest on the loan for the duration of the course and for up to a further three months.

2.40 Part-time students do not receive mandatory awards and generally pay their own fees.

Course Fees

2.41 Sources of support for the payment of course fees are similar to those for maintenance. The position of individual students will depend on a number of factors including their age, employment status, the policy of their LEA or local authority and whether they hold an award.

2.42 For those in receipt of mandatory/student or postgraduate awards course fees are paid, usually in full, by the award-making body. In addition, LEAs usually pay some or all of the tuition fee as part of a discretionary award.

2.43 The Government is about to shift the balance of public funding of higher education from grant to fees. This will create a more direct relationship between an institution's income and its ability to recruit students, which should expand access by improving utilisation of marginal capacity. The standard fee payable through mandatory award arrangements will rise from £607 in 1989/90 to £1675 in 1990/91.

2.44 There is a great variety of fee arrangements within as well as between authorities and differing policies on the remission of fees. For example for what might be termed "traditional FE" the Council of Local Education Authorities (CLEA) recommends minimum fees that simply differentiate between

Higher and Further Education. These were originally set to recover approximately 12 1/2% of costs but may now recover rather more, depending on the course. For Youth Training Scheme (YTS) courses LEAs are recommended to recover 60% of costs. For adult continuing training, local negotiations are the norm.

2.45 CLEA has set up a Group to assist the progressive harmonisation of fees. It has started by recommending one rate for advanced courses and one for non-advanced courses based on nationally estimated full average costs. These rates would be subject to discounting as appropriate for courses such as traditional FE or YTS, to achieve agreed recovery rates. LEAs would retain considerable flexibility in the fees they charge.

2.46 In Scotland education authorities set the level of fees at further education colleges. The Convention of Scottish Local Authorities (COSLA) issue recommendations on appropriate charges. For central institutions, the Scottish Education Department has until 1989/90 prescribed the level of fees for advanced and postgraduate courses and recommended fee levels for any non-advanced courses at those institutions. From 1990/91 greater management authority will be delegated to the institutions, which will then be free to determine the fee levels applicable to all courses.

2.47 The financing of FE colleges in Northern Ireland is similar to that in England and Wales, with the Education and Library Boards meeting most costs. The principal difference is that in Northern Ireland, the Department of Education for Northern Ireland meets the cost of the salaries of full-time lecturers.

Adult Education Classes

2.48 Each individual LEA determines its own policy with regard to the fees it charges for adult education classes, as they are best placed to determine the appropriate level of fees in the light of their knowledge of local needs, circumstances and the resources available to them.

2.49 Each year the National Institute of Adult Continuing Education conducts a survey of the levels of fees charged for adult education classes. The latest available information indicates that the average fee level charged in 1988-89 was 83.8 pence per hour for non-examination courses.

2.50 The majority of LEAs operate some form of concessionary fee policy for particular groups, such as unemployed or unwaged adults, old age pensioners, and disabled people.

Financing of Institutions

2.51 Capital and revenue funding of further education colleges is provided mainly by the LEA, with income from rates, and the rate support grant. In Scotland it is provided by education authorities with income from business rates, community charges and revenue support grant. Colleges also receive funds for certain vocational courses from the Training Agency and are encouraged to raise money by offering training on a commercial basis with full-cost recovery.

2.52 In 1989/90 some £1,035 million has been made available to the PCFC in 1989/90 to support recurrent expenditure, and £384 million for capital expenditure.

2.53 The Education Reform Act 1988 provided for the establishment of a Universities Funding Council as an independent executive body responsible for the allocation between individual universities of funds provided for that purpose by the Secretary of State. The funds at the UFC's disposal account for some 55% of universities' total recurrent income, allowing the Council a strategic role in influencing the overall pattern of provision. The Open University is funded direct by the DES.

2.54 Grants in respect of both capital and recurrent expenditure are paid to the two Northern Ireland Universities by the Department of Education for Northern Ireland acting on the advice of the Universities Funding Council. The UFC's advice is sought to reflect the national role of the Northern Ireland Universities and to ensure parity of funding between institutions in Northern Ireland and Great Britain.

2.55 As regards continuing education, except for pump-priming funds, distributed to universities by the Universities Funding Council on the basis of bids from individual institutions, university courses are mainly self-financing. Universities' increased commitment to continuing education can be seen from the rise in their total income from special and short courses - from £8 million in 1981 to £48 Million in 1987.

2.56 Universities in Great Britain currently obtain on average some 55% of their recurrent income from block grant from the Universities Funding Council (UFC) and 7% from publicly funded student fees. The UFC receives funds from the Government and distributes grant to universities on the basis of criteria applied equally to all institutions including an element allocated selectively on the basis of judgments of research quality.

2.57 Paragraph 2.42 deals with the Government's policy of shifting the balance of public funding of higher education from grant to fees. It will also require the separate identification

of funding of teaching and research. The UFC is also reviewing its grant allocation procedure.

2.58 The UFC funds capital projects on the basis of its evaluation of universities' needs. Funding for minor works and equipment is allocated on a formula basis.

PATTERNS OF PARTICIPATION

2.59 Table 2.1 below gives details of post-compulsory participation rates in education in the United Kingdom for 1986/87.

Numbers and percentages continuing their education aged 16 and over by age, sex and type of course 1986-87

TABLE 2a

Numbers (thousands)	(1) Men and Women						Home students	
	Age at 31 August 1986						25 and over	All Students
	16	17	18	Total 16-18	19-20	21-24		
Total population	866	892	905	2,663	1,869	3,850	-	-
Full-time and sandwich students								
Schools(1)	282	174	24	480	3	-	-	483
Further education								
Non-advanced(2)	148	114	57	318	31	20	40	409
Advanced	-	4	38	42	110	83	48	283
of which Polytechnics(3)	-	2	25	27	71	54	27	179
Universities	-	3	45	50	119	76	28	273
of which Undergraduates	-	3	45	50	118	56	14	239
Postgraduates	-	-	-	-	-	20	14	35
Total full-time and sandwich students(1)	430	296	164	890	263	179	116	1,448
of which Higher education	1	8	83	92	229	159	76	556
Part-time students								
Advanced courses								
University (excluding Open University)	-	-	-	-	1	6	37	45
Open University(4)	-	-	-	-	-	5	74	80
Polytechnics (England & Wales)	-	-	1	2	7	16	31	56
Other higher education, incl Polytechnics								
Day students	-	1	9	10	33	44	86	173
Evening students	-	-	1	1	4	14	38	57
Total part-time advanced courses(5)	-	1	10	12	39	69	235	354
Non-advanced courses in FE establishments(6)								
Day students	132	109	78	319	79	62	284	744
Evening students(7)	80	63	105	248	145	407	1,577	2,377
Total part-time students	212	174	192	579	263	539	2,096	3,476
As percentage of population								
Full-time and sandwich students								
Schools(1)	32.5	19.5	2.7	18.0	0.2	-	-	-
Further education								
Non-advanced(2)	17.1	12.7	6.3	12.0	1.6	0.5	-	-
Advanced	0.1	0.4	4.2	1.6	5.9	2.1	-	-
of which Polytechnics(3)	-	0.3	2.7	1.0	3.8	1.4	-	-
Universities	-	0.5	5.0	1.9	6.4	2.0	-	-
of which Undergraduates	-	0.5	5.0	1.9	6.3	1.5	-	-
Postgraduates	-	-	-	-	-	0.5	-	-
Total full-time and sandwich students(1)	49.7	33.2	18.1	33.4	14.1	4.6	-	-
of which Higher education	0.1	0.9	9.2	3.5	12.3	4.1	-	-
Part-time students								
Advanced courses								
University (excluding Open University)	-	-	-	-	0.1	0.2	-	-
Open University(4)	-	-	-	-	-	0.1	-	-
Polytechnics (England & Wales)	-	-	0.2	0.1	0.4	0.4	-	-
Other higher education, incl Polytechnics								
Day students	-	0.1	1.0	0.4	1.8	1.1	-	-
Evening students	-	-	0.1	-	0.2	0.4	-	-
Total part-time advanced courses(5)	-	0.1	1.1	0.4	2.1	1.8	-	-
Non-advanced courses in FE Establishments(6)								
Day students	15.3	12.2	8.6	12.0	4.2	1.6	-	-
Evening students(7)	9.2	7.1	11.5	9.3	7.7	10.6	-	-
Total part-time students	24.5	19.5	21.3	21.7	14.1	14.0	-	-

(1) Schools data for Scotland relate to 1987-88.

(2) Including 6,055 students (4,598 men) in Polytechnics (and Central Institutions in Scotland).

(3) Including Central Institutions in Scotland.

(4) Provisional. Excluding some 1,300 students for whom data by age and sex are not available.

(5) Excluding 95,100 (provisional) students enrolled on nursing and paramedical courses at DHSS establishments.

(6) Including 11,084 students (5,561 men) in Polytechnics in England and Wales.

(7) Including estimated age detail for 1,663 thousand students aged 16 years or more in adult education centres; excluding youth clubs and centres, 77 thousand in 1984-85 (England). Excluding 531 thousand students on courses run by Responsible Bodies (explanatory note 11.19 refers) for whom age detail was not available.

Numbers and percentages continuing their education aged 16 and over by age, sex and type of course 1986-87

TABLE 2a (continued)

(11) Men*

				Age at 31 August 1986			Home students	
	16	17	18	Total 16-18	19-20	21-24	25 and over	All Students
Numbers (thousands)								
Total population	445	457	463	1,365	956	1,956	-	-
Full-time and sandwich students								
Schools(1)	139	88	13	240	2	-	-	242
Further education								
Non-advanced(2)	67	46	26	139	15	10	21	185
Advanced	-	2	19	21	35	46	24	145
of which Polytechnics(3)	-	1	14	15	39	33	14	101
Universities	-	2	26	28	68	45	16	158
of which Undergraduates	-	2	26	28	68	33	7	136
Postgraduates	-	-	-	-	-	12	9	21
Total full-time and sandwich students(1)	206	138	84	428	141	101	60	730
of which Higher education	-	4	44	49	124	91	40	303
Part-time students								
Advanced courses								
University (excluding Open University)	-	-	-	-	1	4	23	28
Open University(4)	-	-	-	-	-	3	39	43
Polytechnics (England & Wales)	-	-	1	1	5	11	19	36
Other higher education, incl Polytechnics	-	-	-	-	-	-	-	-
Day students	-	1	7	8	26	31	50	115
Evening students	-	-	-	-	2	9	23	35
Total part-time advanced courses(5)	-	1	8	9	29	46	136	220
Non-advanced courses in FE establishments(6)								
Day students	82	75	57	215	56	35	96	402
Evening students(7)	30	23	38	91	52	135	443	720
Total part-time students	113	99	102	314	137	216	675	1,342
As percentage of population								
Full-time and sandwich students								
Schools(1)	31.2	19.2	2.9	17.6	0.2	-	-	-
Further education								
Non-advanced(2)	15.0	10.1	5.7	10.2	1.6	0.5	-	-
Advanced	0.1	0.4	4.0	1.5	5.8	2.3	-	-
of which Polytechnics(3)	-	0.3	3.0	1.1	4.1	1.7	-	-
Universities	-	0.5	5.5	2.1	7.1	2.3	-	-
of which Undergraduates	-	0.5	5.5	2.1	7.1	1.7	-	-
Postgraduates	-	-	-	-	-	0.6	-	-
Total full-time and sandwich students(1)	46.4	30.3	18.1	31.4	14.7	5.1	-	-
of which Higher education	0.1	0.9	9.6	3.6	12.9	4.6	-	-
Part-time students								
Advanced courses								
University (excluding Open University)	-	-	-	-	0.1	0.2	-	-
Open University(4)	-	-	-	-	-	0.2	-	-
Polytechnics (England & Wales)	-	-	0.2	0.1	0.5	0.5	-	-
Other higher education, incl Polytechnics	-	-	-	-	-	-	-	-
Day students	-	0.2	1.5	0.6	2.7	1.6	-	-
Evening students	-	-	0.1	-	0.3	0.4	-	-
Total part-time advanced courses(5)	-	0.2	1.6	0.6	3.0	2.4	-	-
Non-advanced courses in FE establishments(6)								
Day students	18.5	16.5	12.3	15.7	5.8	1.8	-	-
Evening students(7)	6.8	5.0	8.1	6.6	5.4	6.9	-	-
Total part-time students	25.3	21.7	22.1	23.0	14.3	11.1	-	-

* See footnotes applicable to Table 22 (1)

LEGAL BASE OF LABOUR MARKET PROGRAMMES

3.1 Labour market programmes in Great Britain are delivered via the Employment Department Training Agency under the Education and Training Act 1973 (as amended). In Northern Ireland the Employment and Training Act (Northern Ireland) 1950 gives the Department of Economic Development power to provide a wide range of training facilities.

PRIMARY PURPOSE OF SECTOR

3.2 The Government has three main objectives for vocational education and training. These are;

- to secure for every young person relevant education and training, leading where appropriate to recognised vocational qualifications and to a job
- to encourage the provision, for all members of the workforce, of access to relevant training throughout working life
- to ensure that all concerned with training and vocational education should have access to professional, up-to-date and readily available information necessary for the decisions they have to take.

RELATIONSHIP/OVERLAP WITH OTHER SECTORS

3.3 The Training Agency has a close relationship with employers and the education, public and voluntary sectors. In many cases its programmes are delivered by other sectors. Often they aim to exert an influence over part of another sector, perhaps by piloting or illustrating good practice. Some examples of how labour market programmes impact on other sectors are given below.

LABOUR MARKET PROGRAMMES AND FURTHER EDUCATION

3.4 The Training Agency's involvement in the Further Education sector arises mainly from the operation of the Work Related Further Education (WRFE) Programme.

3.5 The WRFE Programme aims to improve the cost effectiveness of public sector work related further education in England and Wales and its responsiveness to employers' needs. To obtain grants from the Training Agency (TA), Local Education Authorities (LEAs) submit plans of their objectives and programmes for WRFE. When these plans have been agreed, TA

contracts with the LEA to make a specified financial contribution.

3.6 Three issues underpin current WRFE planning:

- improving the quality of provision to meet employment and student needs;
- improving the coherence of all local post-16 education and training opportunities;
- providing equal opportunities for all students.

3.7 Her Majesty's Inspectorate have reported that WRFE has "had a significant and beneficial impact upon the planning and review of further education". Specifically there is now better college/LEA and college/college co-ordination of activities, better marketing and better monitoring. These are all important developments in improving responsiveness and effectiveness.

3.8 Training Agency spending on direct support for WRFE in 1989/90 will be f112 million plus f11 million for special initiatives undertaken under a Development Fund.

LABOUR MARKET PROGRAMMES AND HIGHER EDUCATION

3.9 TA aims in the higher education sector include:

- enhancement of the skill supply of highly qualified people;
- improving higher education responsiveness to market needs;
- promotion of wider access;
- encouragement of more flexible provision;
- incorporation of "Enterprise" skills in the curriculum (see description of Enterprise in Higher Education initiative in Chapter 2);
- encouraging the integration of work based learning with academic programmes;
- developing provision for continuous updating and training for professions and other HE level skills.

3.10 The TA funds a number of demonstration and pump-priming projects usually located within individual HE institutions, but intended to have a wider application across the system. The lessons learnt are disseminated through conferences, seminars, publications and HE networks. Through this work the TA helps

institutions to continue to adapt to meet the needs of different clients. Some activities are specifically targeted to increase supply for and participation of under-represented groups in HE.

LABOUR MARKET PROGRAMMES AND THE PUBLIC SECTOR

3.11 The Training Agency works closely with other Government Departments, in particular Education Departments and the Department of Trade and Industry to ensure that policies are consistent.

LABOUR MARKET PROGRAMMES AND EMPLOYERS

3.12 The Government launched National Training Awards in 1987 to recognise and stimulate excellence in training by employers. The Awards are made annually by the Training Agency to organisations which demonstrate how a programme of planned training has improved performance.

3.13 The Awards are now generally recognised as the most valuable and prestigious British Award that a company can win for its training. They have attracted some 3,890 entries over the three years of the competition and 140 Awards have been made. A further 80 Awards will be made in autumn 1989.

3.14 To help British firms increase exports, the Government has provided initial development funding for a national network of local Language Export Centres. The centres offer:

- export consultancy and advice
- help with documentation
- foreign language training
- translation and interpreting
- country briefings and business etiquette

3.15 Employers and private sector training providers play an important part in running TA training programmes. For example, about 64% of YTS trainees are in training on schemes run by the private sector.

3.16 Paragraphs 3.21 to 3.31 below give more details of plans to involve employers still further in the planning and operation of labour market programmes.

LABOUR MARKET PROGRAMMES AND THE VOLUNTARY SECTOR

3.17 The voluntary sector are also involved in running Government programmes. For example, 195 voluntary organisations are currently operating as Training Managers and 8 as Training Agents in Employment Training.

LABOUR MARKET PROGRAMMES - ENCOURAGING OPEN LEARNING

3.18 The Training Agency in Great Britain, and the Department of Economic Development with the Northern Ireland Training Authority in Northern Ireland, aim to encourage employers and providers of training and education throughout the UK to offer open and flexible alternatives to conventional methods of training, and to link that with flexible routes to competence and qualifications.

3.19 This is achieved by a range of measures:

- * promotion of examples of good practice;
- * part-funding companies which introduce and disseminate to other companies innovative training systems under Business Growth Training;
- * support for regional strategies and local resource centres to inform industry and commerce of the benefits of open learning, and local company initiatives;
- * research into factors which influence learning and training provision;
- * funding of the production of self-study packs in the skills needed for effective open learning, aimed at company trainers.

3.20 Open and flexible learning systems enable individuals to learn at a time, place and pace of their choosing and can ensure that teaching and training of high quality are available for all. It is particularly useful in overcoming the training problems caused by a geographically dispersed workforce, staff shortages or the need to introduce new technology rapidly.

DECISION MAKING PROCESS

3.21 The Government is currently introducing a new framework for training in Great Britain at national, sectoral and local level to ensure that training is carried out on the scale and to the quality needed in the 1990s.

3.22 At the national level, a National Training Task Force has been established to advise the Secretary of State for Employment and to assist him in carrying out his training responsibilities. Their most important job is to assist in the establishment and development in England and Wales of the new local organisations - Training and Enterprise Councils - which are described below. In addition they will help to promote to employers the necessity of their investing in the skills of the working population. The Task Force has 12 members, two-thirds of whom are drawn from leading figures in industry and commerce.

3.23. At sectoral level the Government's objective is to see nationally recognised bodies created by employers established throughout industry and commerce. These must provide the lead in establishing standards for key occupations and arrangements for assessing and accrediting learning achievements, and must influence training in the sector as a whole. The bodies must secure the continuing voluntary support of employers.

3.24. In many cases sector organisations, such as Industry Training Organisations, already exist which can form the basis for this network. The seven statutory Industrial Training Boards are currently putting forward plans and proposals to move towards becoming independent and non-statutory bodies. This is in line with the Government's view that the most effective incentive for companies to train is a knowledge and understanding of their skill needs, not centralised regulation based in statutory powers.

3.25. The Government believes that the delivery of training, and its links with small firms and enterprise, must relate closely to the circumstances of each local area. The best way of achieving economic improvement differs from area to area. By tailoring approaches to their own circumstances, localities are most likely to find solutions that work.

3.26. The Government is therefore inviting local groups led by employers to submit proposals for the establishment of Training and Enterprise Councils (TECs) to contract with Government to plan and deliver training and to promote and support the development of small businesses and self employment within their area.

3.27. Training and Enterprise Councils will have several key functions. They will examine the local labour market, assessing key skill needs, prospects for expanded job growth and the adequacy of existing training opportunities. They will draw up a plan, containing measurable objectives for securing quality training and enterprise development that meets both Government guarantees and community needs, tailoring national programmes to suit area needs and to achieve agreed performance outcomes. They

will manage training programmes for young people, for unemployed people, and for adults requiring new knowledge and technical retraining. They will be responsible for the development and provision of training and other support for small businesses relevant to local needs.

3.28. Two-thirds of the 9-15 member boards will be top private sector business leaders, reflecting a cross section of industry locally. Other directors will be drawn as individuals from education, economic development, trade unions, voluntary organisations and others.

3.29. A network of approximately 80 TECS will be established over the next 3-4 years in England and Wales. They will cover an average working population of 250,000. The first 19 Groups which will receive funding to develop TECs have been announced, and the first full TEC will be operational by 1990.

3.30. In Scotland the Secretary of State for Scotland has announced plans for the creation of two new agencies - Scottish Enterprise and Highlands and Islands Enterprise - which will be responsible for training, enterprise and environmental improvement. These bodies will contract with a network of 20 employer-led local agencies, to be known as Local Enterprise Companies. Local Enterprise Companies will contract with Scottish Enterprise and Highlands and Islands Enterprise to deliver training and business support services.

3.31. The aim is to have both Scottish Enterprise and Highlands and Islands Enterprise in operation by 1 April 1991. However, some Local Enterprise Companies will be set up before this.

3.32. Following a review of the organisation of training in Northern Ireland, the Government plans to set up a new single training organisation to be known as the Training and Employment Agency by April 1st 1990. This Agency will assume the training functions of the Department of Economic Development, eight industrial training boards and the Northern Ireland Training Authority.

DESCRIPTION OF EDUCATION/TRAINING AVAILABLE, HOW IT IS FUNDED AND PATTERNS OF PARTICIPATION

3.33. In this section, the Government's main training programmes are described.

YOUTH TRAINING SCHEME (YTS)

3.34. YTS is a major Government programme providing two years quality vocational training for 16 year old school leavers (and a similar one year programme for 17 year old leavers). It provides

a foundation of broad based vocational education and training and planned work experience, and gives all trainees the opportunity to work towards a recognised vocational qualification or credit towards one. A place on YTS is guaranteed to all 16 and 17 year olds not in full time employment or education.

3.35. YTS aims to improve young people's job prospects and improve the overall skill level of the UK workforce by providing better qualified entrants to the labour market and giving employers the access to the skills they need. YTS training is employer based. This helps to ensure that training is relevant to the needs of industry, takes account of prevailing local labour market conditions and can respond quickly to changing circumstances, in particular developments in new technology. YTS is increasingly becoming the direct route to working life for young people. Many industries such as engineering, the travel trade, construction and hairdressing now train their young employees through YTS.

Method of Delivery

3.36. The Government is committed to ensuring YTS provides the best possible quality of training for young people. Training is delivered only through independent Managing Agents which have to be Approved Training Organisations. To achieve ATO status Managing Agents have to satisfy the Training Agency of their ability to deliver quality training on the basis of ten criteria which include: a previous record in training; adequate resources; employment of competent trainers and other staff; financial viability; health and safety and equal opportunities. There are currently some 3,000 ATOs operating over 5,000 different YTS schemes.

3.37. Managing Agents present a two-year plan which covers both training undertaken on-the-job, in the work-place and off-the-job at college or other educational establishments. Special "Initial Training" is also available for young people who need extra help before they can start standard YTS training. The training plan further sets out details of 'units of competence' which will be achieved during the programme. The units have a broad occupational base and taken together cover the trainees' competence in four outcome areas:

- (i) occupational skills;
- (ii) transferable core skills eg numeracy, literacy;
- (iii) ability to transfer skills and knowledge to new situations; and
- (iv) personal effectiveness.

YTS Funding - Managing Agents

3.38. To help meet the cost of providing the training and paying the weekly allowance the Government provides Managing Agents with a series of grants;

- A management fee of £110 per contracted place, plus VAT if appropriate.

- A basic grant of £160 per calendar month (ie £36.92 per week) payable for each filled place, for up to 24 months.

3.39. In addition a five tier system of additional funding to contribute towards the costs of providing extra training for those young people with special training needs and those receiving training at Information Technology Centres was introduced in April 1989. Up to 5 units of additional funding at £41.68 per unit per calendar month can be provided.

YTS Funding - Individual Allowances

3.40. Two year trainees receive £29.50 per week for the first 12 months and £35.00 per week thereafter. One year trainees receive £29.50 per week for the first 13 weeks and £35.00 per week thereafter. Where applicable travelling expenses and a lodging allowance are also paid.

YTS - Total Funding

3.41. In the financial year 1988/89 expenditure on YTS was approximately £1,000 million.

Patterns of Participation

3.42. Table 3.1 gives a breakdown of the numbers on YTS on 30 June 1989.

60% of the 16 and 17 year old labour market entrants take a place on YTS (72% of 16 year olds and 21% of 17 year olds).

23% of young people in training on YTS have a contract of employment.

Figures current as at April 1989 showed that 63% of young people completing YTS have gained a qualification.

Table 3.1
Numbers on Youth Training Scheme

Numbers in training on 30/6/89	390,500
of which;	
male	239,700 (61.4%)
female	150,800 (38.6%)
with disabled status	12,000 (3.1%)

THE YOUTH TRAINING PROGRAMME (NORTHERN IRELAND)

3.43. The Youth Training Programme (YTP) was introduced in 1982 to meet the needs of young people and industry in Northern Ireland. It parallels the Youth Training Scheme in Great Britain. YTP has two aims:

- to contribute to the development of the Northern Ireland economy by offering training and experience to young people and laying the foundation for a skilled, flexible workforce capable of adapting to rapid change in modern technology;
- to assist all 16 and 17 year olds to make the transition from school to adult working life.

3.44. The Youth Training Programme provides a full two year programme for 16 year old school leavers. It combines training, further education and work experience in the first year and either employment with training or more specialised full time training in the second year.

3.45. First year places are offered through partnerships organised by Training Centres, Community Workshops, Colleges of Further Education and employers. Second year full time training places are offered by employers, Training Centres, Further Education Colleges, Community Workshops, Youth Community Projects and Young Help.

3.46. Trainees' progress is regularly reviewed and at the end of the year a Profile Certificate records achievements and experience gained while participating in the Programme.

3.47. From 1 April 1990, providers will have to apply for Recognised Training Organisation status which will be awarded if they can demonstrate that they meet the 10 criteria for RTO status. RTOs will manage two years of training for young people in or out of work and will be responsible for arranging all aspects of the programme for young people. YTP Workscheme will be phased out.

YTP Funding- Training Providers

3.48. A new funding structure is being proposed. The Department will pay a set amount per trainee subject to quality standards being met.

YTP Funding - Individual Allowances

3.49. Full time trainees receive a training allowance of £29.50 per week , progressing to £35 per week once they have met certain conditions. Young employees in YTP Workscheme receive a wage from their employer .

YTP - Patterns of participation

3.50. Table 3.2 gives performance details for 1988/89

Table 3.2
Youth Training Programme performance figures

FULL TIME TRAINING	
Places provided	10,556
Peak Occupancy	9,760
Average occupancy	8,881
No Of entrants	12,303

YTP WORKSCHEME	
Recruitment Notifications Received	5,064

COMMUNITY INDUSTRY SCHEME

3.51. The Scheme began in Great Britain in 1971 and caters for young people aged between 16-19 years who, because of personal and/or social problems, are at a disadvantage in obtaining employment. It provides a valuable alternative to those young people who cannot cope with mainstream training such as YTS. The

Scheme is run by Community Industry Ltd, a registered charity with a contract to provide 7,000 places spread across England, Scotland and Wales. They provide a training programme, providing both on and off the job training.

Community Industry - Funding

3.52. Funding is on a filled place basis by the Employment Department. The budget for 1989/90 is some £28 million. The Scheme also attracts support in the form of premises, transport and equipment from local authorities in some of the areas in which it operates. In financial terms, this support amounts to between £3 million to £4 million per year. Trainees are paid allowances at the same rate as for YTS.

Community Industry - Patterns of Participation

3.53. Since its inception, 119,425 young people have entered the Scheme, and about 37,000 have been helped into jobs or further training opportunities. Figures for April 1989 show a total of 6,296 young people in training.

EMPLOYMENT TRAINING (ET)

3.54. Employment Training aims to help unemployed people, particularly those who have been unemployed for six months or more, to get the skills and experience they need to compete for jobs. It offers practical and directed training to participants tailored to meet their individual needs and the needs of the labour market. Employment Training includes:

- an initial period of assessment to identify the needs and capabilities of participants and to draw up an Action Plan, which is agreed with each individual. The plan outlines their current skills and knowledge together with the training to be developed and competencies to be acquired;
- training of up to 12 months delivered through a combination of planned practical training either with an employer or on a project, combined with directed training. ET is supported by large numbers of employers, many of them household names;
- the opportunity for trainees to move between the various forms of provision available, as their needs dictate in order to gain the range of skills and experience they need.

Method of Delivery

3.55. Training Agents deliver the initial assessment period. Training Managers are responsible for arranging a planned mix of practical training (with employers or on projects) and directed training for each individual, and for ensuring that it meets the training requirements of the individual's action plan. Training will be delivered by a wide range of methods tailored to suit individual circumstances. Training Agents and Training Managers will be required to secure approved status against a set of agreed criteria. This process provides positive assurances of the ability of Training Agents and Training Managers to deliver various stages of the programme.

Funding - Training Agents

3.56. Training Agents are paid:

- £20 for the completion of each action plan for eligible clients.
- £15 for each client who is referred to a Training Manager and who remains within Employment Training for a minimum period of 6 training days.
- £10 for providing an independent source of guidance and support to trainees recruited directly by Training Managers

Funding - Training Managers

3.57. Training Managers are paid:

- £15 for each person starting training;
- £17.50 a week basic grant for each person in training;
- a variable supplementary grant of up to £40 a week for each trainee may be available for places involving higher cost training such as projects, training for people with disabilities or learning difficulties, and technical and higher skills training.
- special financial assistance is available for training people with disabilities, to cover the cost of special equipment, adaptations to premises and equipment, readers for the blind and communicators for the deaf;
- the Training Agents' fee of £20 will be paid where a Training Manager provides introduction advice and a personal action plan for an individual recruited by them directly.

Target Population

3.58. People who are at least 18 and under 60 and have been unemployed for six months and more will be able to join Employment Training. Special arrangements allow some who have been unemployed for less than 6 months to enter ET. This applies to those returning to the labour market after a period as carers, those needing to learn English as a second language and those wishing to train in area of skill shortage.

3.59. Disabled people have access to additional in-depth assessment through a network of 26 Employment Rehabilitation Centres, 5 ASSET centres, 1 Assessment and Counselling Team and 30 Mobile Assessment Centres. Other special help includes adaptations to premises, special aids, personal readers and additional funding for specialised training. Residential training is also available.

3.60. £3.25 million is being spent on a special initiative in inner cities to encourage greater participation by ethnic minority groups and to open up more training and job opportunities with employers to inner city residents.

3.61. For those unable to train on a full-time basis or cope with the normal pace of the programme straightaway, there is an extended introduction period of up to 12 weeks, part of which can be undertaken part-time. There is also provision for trainees in certain circumstances to remain part-time for the whole of their training period.

3.62. The High Technology Training Initiative within ET provides support for high level vocational training courses which aim to meet current or future national skills needs. The courses run for up to one year and require significant amounts of prior learning and relevant industrial or commercial experience. The majority of these courses are in computer science or in engineering.

3.63. All trainees will receive a record of achievement on completion of their training, outlining the occupation and competencies gained. Wherever possible, training will be provided leading towards a vocational qualification or a credit towards one.

Funding Individual Allowances

3.64. Everyone who enters Employment Training qualifies for a training allowance. This is based on previous benefit entitlement, plus an additional amount of between £10 and £11.95 in every case. Where applicable, travelling expenses, child care costs and living away from home allowances may be paid.

3.65. Successful completion by trainees of an individual action plan and the achievement of a vocational qualification or a credit towards one will be rewarded by a financial bonus. Training Managers and employers offering training will provide the bonuses which will be disregarded for tax and benefit purposes up to a total of £200.

Patterns of Participation

3.66. See Table 3.3 below

Table 3.3
Employment Training Performance and Trainee Characteristics

Total Trainees in training 18 August 1989	204,000
Analysis of ET entrants for the period April to June 1989	
% male	68%
% female	32%
% white	87%
% black/African/Caribbean	5%
% Indian sub-continent	4%
% none of these	2%
% preferred not to say	2%
% with disabilities/long term health problems	11%
% previously unemployed for over 2 years	38%
% from inner cities	50%

THE JOB TRAINING PROGRAMME (NORTHERN IRELAND)

3.67. JTP is delivered by a network of mainly private sector Managing Agents who then subcontract provision to other training and education providers. Each trainee is encouraged to work towards a Recognised Vocational Qualification or a credit towards one, undertaking off the job training at Colleges of Further Education or Training Centres as necessary. Trainee Allowances are paid on the same basis as for ET.

Funding - Managing Agents

3.68. Managing Agents receive:

- £35 for the production of a Training Action Plan
- £17.50 a week basic grant for each person in training
- a variable supplementary grant of up to £40 a week for trainees with special needs

Participation rates

3.69. At 31 March 1989 there were 1010 trainees on the Job Training Programme. They were all previously unemployed.

TRAINING CENTRES (NORTHERN IRELAND)

3.70. Training for adults at Training Centres is provided mainly for the engineering industry. As well as training for unemployed adults, Training Centres also provide training services for industry.

ATTACHMENT TRAINING SCHEME (NORTHERN IRELAND)

3.71. A number of courses in computing, work study, testing, and catering are available for adults under this scheme which involves training in college and work experience. Recruitment is annual.

BUSINESS GROWTH TRAINING

3.72. Business Growth Training was launched in GB in 1988 and aims to improve the business performance of firms by improving the effectiveness of their training. The programme does this through one or more of five Options:

- Option One - kits for helping firms to write better business and training plans;
- Option Two - training seminars to give owner-managers better business skills;
- Option Three - consultancy to help management teams to manage change;
- Option Four - help for firms to tackle their skill needs jointly with other firms;
- Option Five - help to implement firms' own innovative training.

3.73. Table 3.4 gives details of the funding available for Business Growth Training and the expected participation rates.

Table 3.4 Funding available for Business Growth Training and expected participation rates 1989/90

FUNDING AVAILABLE

Option One	£ .563 million
Option Two	£ 7.50 million
Option Three	£24.50 million
Option Four	£ 3.00 million
Option Five	£ 6.50 million
TOTAL	£42.063 million pounds (rising to £55 million pounds in following years.)

EXPECTED PARTICIPATION RATES

Option One	41,000 - 45,000 businesses helped
Option Two	about 61,000 businesses helped
Option Three	2,000 - 3,000 businesses helped
Option Four	100 - 150 projects
Option Five	about 200 demonstration projects
	over 100,000 businesses each year.

MANAGEMENT TRAINING AND GRANTS (NORTHERN IRELAND)

3.74. This has 3 categories:

- Well educated Young Persons Entering Management
- Redundant executives re-entering management
- Entrepreneurs setting up new businesses

3.75. Schemes included under the first category are: the Industrial Scholarship Scheme, which provides sponsorship for a sandwich course; the Junior Management Development Programme which gives management training to unemployed graduates; the Graduate Attachment Programme which comprises attachments to small and medium sized companies for unemployed graduates; and the Export Marketing Programme for business graduates wishing to enter the export marketing field.

3.76. Under category 2 are the Bridge Programme which provides counselling and the Management Extension programme which gives

redundant specialist managers the chance to work with small businesses.

3.77. Under the final category are: the New Enterprise Programme and Graduate Enterprise Programme, aimed at helping people set up a new business; Get Ready for Business which helps educationally disadvantaged young people consider self-employment; and the Manpower Training Scheme which provides funds to firms preparing a training needs analysis and training plan.

PRIORITY SKILLS INITIATIVE (NORTHERN IRELAND)

3.78. The objectives of this initiative are to meet current and potential key skill requirements by:

- encouraging and stimulating additional training in priority skills areas; and
- encouraging innovation in and new approaches to training in order to help companies become more competitive.

3.79. Schemes under this initiative include;

Priority Skills Training which makes grants to industry training organisations to help meet key skill requirements which would otherwise not be met;

Sandwich Grant Scheme which encourages the provision of industrial placements in areas of key importance to the Northern Ireland economy;

Skills Training Scheme which aims to encourage employers to move towards standards based craft training to meet the demand for key skills of particular importance to the Northern Ireland economy.

4.1 This chapter describes three initiatives which impact on further education and training which receive funding from central Government Departments other than those with the main responsibility for education and training.

i. THE ENTERPRISE INITIATIVE

Basis and Purpose

4.2 The Enterprise Initiative was launched on 13 January 1988 by the Department of Trade and Industry (DTI), with the aim of encouraging the process of wealth creation by stimulating individual initiative and enterprise. It comprises a number of individual initiatives covering business development (the Consultancy Initiatives), Research and Technology, Enterprise and Education, Regional Assistance and the recently relaunched Export Initiative. All share the objectives of encouraging enterprise, developing management skills, promoting best practice and thereby improving competitiveness.

4.3 The element of the Enterprise and Education Initiative specifically involved with further education is the Teaching Company Scheme (TCS). TCS is a scheme funded jointly by the Department of Trade and Industry, the Science and Engineering Research Council, the Economic and Social Research Council and the Northern Ireland Department of Economic Development. TCS aims to;

- raise the level of industrial performance by effective use of academic resources;
- improve industrial methods by the effective implementation of advanced technology and new ideas;
- develop able graduates for careers in industry;
- give academic staff broad and direct involvement with industry in order to benefit research and enhance the relevance of teaching.

4.4 TCS contributes towards DTI's objectives in engineering education and training:

- to ensure the supply of skilled manpower is able to respond effectively to the demands of business and to foster

attitudes conducive to wealth creation.

- to maintain and improve the quality of the stock of existing engineers by better career development, including continuing education and training.

Description of education and Training provided including Financing and patterns of Participation

4.5 Young graduates, company staff and academics are brought together under Teaching Company Programmes. The graduates, known as Teaching Company Associates are appointed on two year contracts to work full-time at the company, under joint supervision of the company and academic staff. They tackle tasks which can bring substantial benefits to the company's operation, and develop technological and managerial skills in an industrial setting. Links between business and Higher Education Institutions are improved, companies gain considerable benefits, and Associates get a flying start to an industrial career.

Table 4.1
Patterns of Participation in
the Teaching Company Scheme

Number of programmes run at universities	220
Number of programmes run at polytechnics	104
Number of programmes run at other Higher Education Institutions	6
TOTAL PROGRAMMES	330
Total number of associates	1,155
% of programmes in manufacturing products	42%
% of programmes in manufacturing processes	37%
% of programmes in information	15%
% of programmes in service sector	6%
% of programmes in companies employing over 500	53%
% of programmes in companies employing 50-500	25%
% of programmes in companies employing under 50	22%
% of associates under 23	19%
% of associates aged 23-25	54%
% of associates aged over 27	27%

4.6 Most associates have the chance of registering with their Higher Education Institution for an Masters Degree or a Doctorate when they commence a Teaching Company Programme. In order to

qualify for a two - year associateship, a graduate should normally;

- be under 28 years of age
- have gained a first or upper second class honours degree or higher degree
- be interested in pursuing a career in UK industry

These conditions can be waived for exceptional candidates.

4.7 In 1988/89 DTI spending on the scheme was £6.5 million.

ii. INNER CITIES INITIATIVES

Basis and Purpose

4.8 The Task Force initiative was set up by the Government in February 1986. Small teams were established in eight inner city areas. Since 1987 the Task Forces have been increased to sixteen. As Task Forces complete their work, new ones are opened elsewhere to replace them.

4.9 The aim of the Task Forces is to focus main Government programmes more closely on the inner cities. They are in the frontline in securing jobs for local people and improving their employability, encouraging and facilitating local enterprise and supporting environmental and crime prevention initiatives where these can be linked to the reintegration of local people into local economic activity. The Task Forces have a budget of £19m in 1989-90 for initial development funding of projects.

4.10 Some of the initiatives developed to meet these objectives are: targeted training, developing schools/industry links, helping small businesses start and grow through advice and better access to finance, encouraging local purchasing, and developing the ability of local communities to safeguard their economic future.

4.11 A recently-published evaluation of the Handsworth Task Force concluded that the Task Force had made a significant and cost effective contribution to the lives of people living in Handsworth, and had been extremely successful in ensuring that Government programmes reached the deprived sections of the community often missed by conventional approaches.

4.12 Above all, Task Forces are learning to encourage and develop the contribution of the business world to inner cities. The private sector contributes to about a third of all Task Force projects and had committed funding of nearly £14m up to the end of December 1988. Since they began their work, Task Forces have

been involved in more than 1100 local projects, committing nearly £35m.

Relationship/overlap with other sectors and Decision making process

4.13 The inner cities initiative works with other organisations, from both the public and private sectors, and the local community to help ensure that the objectives are achieved. Projects are submitted by local organisations and examined and approved by the DTI. Projects must demonstrate how they would help the economic and industrial regeneration of the area.

Description of Education and training provided, including financing

4.14 A considerable variety of education and training is available. The inner cities initiative aims to involve the private sector. Although some projects are solely financed by the initiative most projects have public and/or private sector funding as well. The Task Force budget is intended to be used for pump priming to bring in other sources of money rather than to be the main funding source of the projects.

iii URBAN DEVELOPMENT CORPORATIONS

Background and Purpose

4.15 Urban Development Corporations (UDCs) were set up under the 1980 Local Government Planning and Land Act to secure the regeneration of their areas. One of their aims is to encourage the development of existing and new industry and commerce, and is this aim which involves them in further education and training. UDCs do not generally run training or education organisations themselves but assist other agencies through the provision of grant aid for training and education schemes funded jointly with other agencies.

Relationships with other organisations and Decision making process

4.16 UDCs co-operate in schemes with the Training Agency, local authorities and others. In London Docklands, regular liaison meetings on training requirements are held with local authorities, the private sector and others. Surveys have been carried out on skill needs and availability in London Docklands, Sheffield and Teesside and are planned in 3 other UDCs.

4.17 UDCs provide assistance where funding is not available from other agencies. In appraising a project, a UDC will consider

whether it fits into the regenerative strategy set out in its annual corporate plan approved by Government Ministers.

Description of Education and Training provided, including financing and patterns of participation

4.18 Examples include:

Funding for construction skill centres offering training for the young unemployed in London Docklands, Sheffield and the Black Country

Funding by Tyne and Wear for a computer and office skills centre for 60 unemployed young people annually

Merseyside (with funding from the European Social Fund) support a training organisation which provided 7,300 training places in 1987/88 and has expanded into the provision of managed workshops

4.19 The money allocated to training by the UDCs is chiefly provided through the Department of Environment.

4.20 Schemes are aimed chiefly at the young unemployed and have achieved a good take up by ethnic minorities

BASIS AND PURPOSE

5.1 Employers as both providers and consumers of training have the primary responsibility for ensuring that training of sufficient quality and quantity takes place. Chapter 3 gives details of the reform of Great Britain's training framework which the Government is undertaking to enable employers to become full partners in the design, delivery and financing of training, and of the role which many employers already play in delivering labour market programmes for school leavers and the unemployed. This chapter will concentrate on the training provided by employers for their own employees.

INFLUENCES AND DECISION MAKING

5.2 Competitive pressures are one of the major positive influences in the private sector on the decision to train. The parallel influences in the public sector are policy changes including new legislative requirements. "Training in Britain" found that 56% of employers who trained cited the need to sharpen competitiveness in the market place as a positive influence on general training activity. 36% cited health and safety and other legislation; this percentage rose to 50% among manufacturing companies. 29% cited the Youth Training Scheme and other Training Agency programmes. Other significant positive influences were skill shortages (25%), customer requirements (17%), recruitment problems (17%). Of the respondents who suggested they had faced skill shortages, 51% had retrained existing staff.

5.3 Human resource development policies and outside bodies were also cited as influences. There was a clear pattern of formal human resource development processes existing more frequently in establishments providing higher levels of training. For example, 56% of above average trainers provided career moves, compared with 45% of average trainers. 67% of establishments whose level of training was above the average provided formal staff appraisal compared to 54% of below average trainers.

5.4 Respondents who belonged to the Confederation of British Industry (CBI) tended to be higher level trainers than non-members. The CBI has itself recently set up a Training Task Force. It consists of senior executives of CBI member organisations, together with one or two independent advisers. The Task Force is serviced by staff of the CBI Education and Training Directorate together with a team from Coopers and Lybrand and support from the Training Agency.

5.5 The terms of reference of the Task Force are:

"To consider ways and means of assisting British businesses to improve the effectiveness of their vocational education and training effort; and to make recommendations".

5.6 It is envisaged that in meeting these terms of reference the Task Force will discuss ways of:

- Improving the transition from education to work by developing the education and training of young people;
- Improving the training infrastructure;
- promoting the effective operation of the training market and thereby increasing business investment in skills.

5.7 It will produce a report which includes recommendations for action for discussion at the CBI National Conference in Harrogate in November 1989.

Industry Training Organisations

5.8 Another group of influencers are the Industry Training Organisations (ITOs) which were described in Chapter 3 as forming the basis for the sectoral arm of Britain's new training framework. ITOs are responsible for co-ordinating training activities within specific sectors of industry. Activities include identifying the future needs of their sectors, developing new training methods and seeking to influence the training policies and activities of employers. There are about 120 ITOs.

5.9 The National Council of Industry Training Organisations (NCITO) represents the interests of over 70 non-statutory ITOs. Part of its remit is to encourage networking, information exchange and identification and dissemination of 'best practice, between sectors and members. NCITO aims to offer a coherent and independent means of demonstrating the effectiveness of the non-statutory training sector to Government and other agencies.

5.10 Many ITOs act as Industry Lead Bodies responsible for the development of competence based standards for their industries. In areas where there is no clear sectoral focus (eg information technology, office skills, training and development) a consortium arrangement has been adopted to bring together representatives from a number of sectors to carry forward development work.

Management Charter Initiative

5.11 The Management Charter Initiative (MCI) is another recent initiative to bring influence to bear on the amount and type of training carried out by employers. The initiative was set up in 1987 by the employer-led Council for Management Education and Development (now the National Forum for Management Education and Development - NFMED). Government is represented on the Forum. The Department of Trade and Industry has agreed to match employer contributions to MCI up to a total of £2.5 million over the first five years. Training Agency has also provided funding for specific projects.

5.12 MCI works in four areas;

1. It has produced a Code of Practice to which over 350 organisations, including 25 Government departments, have become signatories.

2. Work is underway to develop a hierarchy of management qualifications. NFMED is concentrating at present on producing a national foundation qualification called the Certificate in Management, in consultation with the Training Agency, educational establishments and professional and accrediting bodies. The qualification will be based on competence on the job rather than knowledge of how the job should be performed.

3. Business led Local Networks for management training and development are being set up to help MCI gain nationwide coverage. The first 12 networks were launched in March 1989. There are now 20 networks, and MCI plan eventually to have 80 in place.

4. A Youth Campaign aims to promote management as a career to undergraduates, and to attract young people into management.

Decisions

5.13 How do employers arrive at decisions about training? "Training in Britain" suggests that:

- training decisions are usually responses to immediate pressures.
- decisions are often subject to internal organizational politics. The views of senior management are often decisive;
- one third of training employers had a plan for their training activity. Less than one third had a training budget

DESCRIPTION OF EDUCATION AND TRAINING

5.14 Training provided by employers may be defined as 'the process of acquiring the knowledge and skills related to work requirements by formal, structured or guided means'. This can be "off-the-job", defined as leaving the normal workplace to receive the training, whether to go elsewhere within the premises or off-site to a third party provider. Alternatively the training may be delivered "on-the-job", that is, conducted at the normal place of work, involving significant periods of instruction during which there is little or no useful output, with the objective of learning or enhancing specific skills.

5.15 Overall in Great Britain, the proportion of employees receiving on-the-job training and the proportion receiving off-the-job training are roughly the same, at about one-third. About 40% of employees received both sorts of training.

5.16 Off the job training was delivered in very similar amounts in-house by employers themselves and by external providers. Delivery trends were different between different industry sectors. For example, for private manufacturing firms around 50% to 60% of training comes from external sources and of the balance provided internally by the organisation, only 5% to 10% is provided offsite. By contrast, the health and central government sectors provide 90% of their training internally, of which the majority was off-site (70% for health, 55% for central government). Overall, a higher proportion of an enterprise's training is delivered within the organisation in enterprises of larger size.

5.17 Just over one-third of on the job training was to provide skills as a result of the introduction of new equipment or methods. Just under two thirds was to provide completely new skills or to update or upgrade existing skills.

FUNDING OF TRAINING

5.18 "Training in Britain" shows that the total costs net of income of training provided by employers is £14.435 million at 1986/ 87 prices (See table 5.1). These figures are representative of 17.8 million employers. (This excludes expenditure by employers with under 10 employees, in agriculture and in the Armed Forces, which is estimated at £3.7 billion.) This is equivalent to an average of £809 per employee and £1,685 for each employee receiving training.

5.19 The dominant funding flows from employers were those connected with payments to staff. At £12,243 million these amounted to 81% of total gross expenditure. Within this figure £7,009 million was accounted for by the labour costs of trainers and senior management input, and £5,234 million by costs

associated with payments to trainees. The next most important funding outflow was mainly made up of payments for non labour inputs and amounted to £1,940 million or 13% of total gross expenditure. Payments for externally provided training, both on and off the employers' site, totalled £723 million and at 5% were a relatively small fraction of total gross expenditure.

Table 5.1
Expenditure on Training by Employers,
Great Britain, 1986/87

STAFF COSTS	£M
Off-the-job;	
Trainees	2,554
Internal Part-Time Trainers	943
On-the-job;	
Trainees	2,680
Trainers	4,158
Senior Management	1,378
Full Time Instructors	530

	12,243

NON-LABOUR INPUTS	
Off-the-job;	
Cost of Training Facility	1,495
Materials	172
Equipment	137
Other Costs	136

	1,940

EXTERNALLY PROVIDED TRAINING	
Trainers On-site	117
Trainers Off-Site	606

	723

LEVIES AND SUBSCRIPTIONS TO ITOS	157

TOTAL GROSS EXPENDITURE	15,063

INCOME	
Revenue from providing training	177
Grants	451
TOTAL NET EXPENDITURE	14,435

NB Excludes employment in firms with under 10 employees, in agriculture and in the armed forces
Source; Training in Britain; Employers' Activities

5.20 On the income side of the account, some employers themselves engaged in providing external training and this generated revenue of £177 million. Grants amounting to £451 million were received, including payments in respect of YTS trainees with employment status.

5.21 Excluding unallocated overheads, off-the-job training costs were estimated at £5,847 million and on-the-job training costs were £6,838 million. The main reason for the higher cost of on-the-job training is that it is usually provided on a one-to-one basis. British employers contributed some 145 million days of training at a cost of £18bn over a 12 month period in 1986-87.

5.22 Chart 5.1 shows some of the main flows of funds between training agents. It is possible for individuals and organisations to appear in more than one category of agent if they discharge more than function. Also some secondary flows of funds have not been included. For example, it is possible for employers to obtain tax relief for some categories of training.

Spending on Individuals

5.23 The average cost of training each employee varied substantially across industry, and is partly a product of differing wage and salary levels. For example:

- the biggest cost of training was in the private services and the public sector (close to £900 per employee in each case) compared with a little over £600 per employee in private manufacturing.

- within the private services, these average costs ranged from £1,200 in finance and business services to £500 in wholesale and transport.

- costs also varied by grade, about £1,300 per employee for managers and other professionals to about £750 for skilled and semi-skilled manual workers to about £450 for other manual and personal services.

PATTERNS OF PARTICIPATION

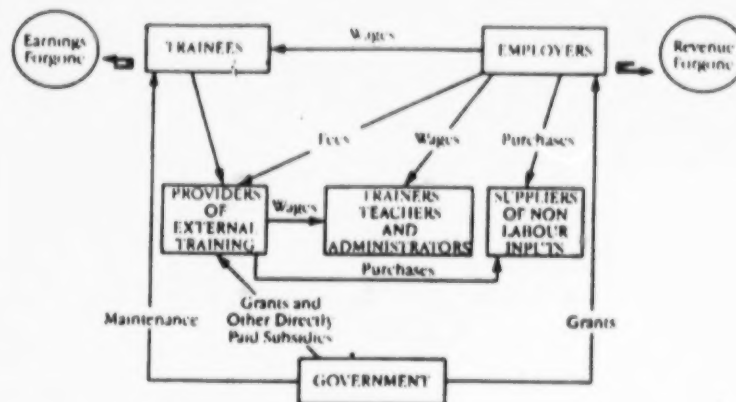
5.24 Of the 145 million days of training sponsored by employers, 115 million were provided internally and 30 million externally through colleges and other training institutions.

5.25 Over 1986-87, it is estimated that 48% of employers received some training, averaging 14 days training the year for these employees.

5.26 The pattern of training varies across British industry, for example:-

- (a) by industrial sector - just over one in three employees in private manufacturing receive any training, compared with half of the labour force in the private sector and 59% in the public sector.
- (b) by grade - 41% of non manual employees had some off-the job training receiving on average 10.2 days compared to 24% of manual grades who receive on average 11.2 days.
- (c) by type of employee - apprentices and long term trainees received the greatest length of training (53 days on average). New recruits received 14 days of training while established employers received 5.4 days of training. More new recruits receive training than established employees- 65% compared with 48%. However, nearly 60% of employers' total training effort in terms of days of training provided was delivered to established employees. Established employees received an average of 11 days training.
- (d) By qualification. Those without qualifications were much less likely to have received training recently than those with qualifications.
- (e) By size of establishment. There is no very clear pattern in the days of training received per employee according to establishment size. Initially it rises as establishment size increases, but falls to a low of 5 days for establishments with between 500 and 999 employees before rising to 6.8 days for establishments with over 1,000 employees. While the duration of training was no longer than average in these latter organisations, the proportion of employees who received training was relatively high. Also, though the proportion of employees who received training was relatively low in establishments with fewer than 50 employees, the number of days undertaken was relatively high.

CHART 5.1
Flows of Funding for Training



Source: The Training Agency

Notes: (1) Industry Training Organisations (ITOs) and the Youth Training Scheme (YTS) do not fit conveniently into this sketch map. In their role as providers of training services, ITOs can be thought of as included in the category 'external providers of training.' Subscriptions, levies net of grant and other payments made to ITOs by employers for training services can be thought of as part of the funding flow marked 'fees' to providers. In respect of their other functions ITOs can be thought of as included in the 'employers category,' ie. including their function of re-allocating resources between employers.

(2) Given that most of the practical training given under YTS is provided by employers and the high rate of employment of trainees on leaving the scheme, it seems appropriate to think of all YTS Managing Agents as performing their functions on behalf of employers and as included in the 'employers' category. It also makes sense to think of minimum allowances and other payments made to YTS trainees as included in the funding flow from employers to trainees marked 'wages'.

(3) Loans taken out by students and trainees to purchase education or training (including those under the Career Development Loan Scheme) are excluded from the chart.

BASIS AND PURPOSE

6.1 Trade Unions aim to provide a comprehensive system of education to develop the skills needed by trade union shop stewards. The main objective is to offer training in industrial relations functions. Subsidiary aims include encouraging greater participation in unions, building the confidence of members and officials and strengthening union organisation by developing more skilled and effective representatives.

RELATIONSHIPS AND OVERLAPS WITH OTHER SECTORS

6.2 The Trade Union Congress (TUC) works with some 150 bodies in the provision of courses. These are mainly Colleges of Further Education but also include the Workers' Education Association, Colleges of Higher Education, Polytechnics and University extra-mural Departments.

DESCRIPTION OF FURTHER EDUCATION AND TRAINING AVAILABLE, INFLUENCES AND DECISION MAKING

6.3 TUC courses are essentially of two kinds;

- (a) training in representative skills to contribute to effective communications and orderly industrial relations
- (b) education in specific industrial relations topics

6.4 The topics students work on depend on what stage they have reached in the TUC's graded course structure. Initial courses for new representatives cover interview techniques, discipline problems and inter union cooperation. More specialised courses are then available on a range of bargaining and related issues such as work study and employment law. TUC courses are acknowledged to have pioneered participative learning methods and have received favourable independent assessments from Her Majesty's Inspectorate for Education.

6.5 Since the granting of a legal right to training in 1978 for the newly created safety representatives, a whole new area of course provision has opened up, focussing on health and safety. Other developments in the 1980s have been an increasing emphasis on education for women and young people, tackling racism and encouraging greater participation in union activities by ethnic minority groups

FUNDING

6.6 Since 1976 there has been some provision of public funding

for the education and training of trade union representatives, and provision for time off for such training was included in the Employment Protection Act of 1975. For 1989/90 grant will be made available to the TUC to a maximum of £1,728,300, whilst independent trade unions not affiliated to the TUC may receive grant at a rate of £19.64 for every hundred members of the union. Funding is provided at the discretion of the Secretary of State for Employment, who reviews the decision annually.

6.7 The grant is paid in respect of six clearly defined areas of education and training. These categories of expenditure are laid down in a Memorandum of Arrangements which is revised annually. Grant is paid on a similar basis to trade unions not affiliated to the TUC. This is covered by a separate Memorandum of Arrangements which is circulated to listed independent non-TUC unions each year to ensure that they are aware of the scheme and the procedures for claiming grant.

6.8 Most trade union education and training is organised on the basis of paid release .

PATTERNS OF PARTICIPATION

6.9 The TUC provides almost 150 study hours per 1,000 members per year. In 1987/88 30,636 students attended some 2,500 TUC courses, of which 1,500 lasted between 10 and 12 days. This included attendance by 9,500 workplace representatives at the 2 stage introductory courses and by almost 7,000 representatives at the 2 stage health and safety courses.

6.10 The 1984 Workplace Industrial Relations Survey showed that about one fifth of union representatives had received training in the previous year, though this needs to be set in the context of a probable turnover of stewards of about one-third per year. Larger establishments were likely to have had a higher proportion of their trade union representatives trained.

6.12 In 1987 the TUC carried out a survey of a sample of people attending its Stage I Introductory Courses. A 1988 follow up survey which was based on a sample from the whole range of TUC courses gave the following information on course students;

- the proportion of women on courses was 21%. This compares with a participation rate of 8% when statistics were first collected in 1976.
- 59% worked in the private sector and 38% in the public sector
- 56% worked in production industries and 39% in services
- fewer than 1 in 10 were of non-European origin

BASIS AND PURPOSE

7.1 Private providers are independent organisations or individuals, outside the publicly funded higher and further education system, who provide training to individuals on a commercial, though not necessarily profit making basis.

7.2 They may have developed;

i as one arm of another business eg recruitment agencies providing Word Processing training, Management Consultants/ accountants developing Human Resource development arms

ii by a group of companies getting together eg the Industrial Society

iii for a particular sector or profession eg accountancy bodies, nursery nurse colleges

iv to run Government schemes eg YTS Managing Agents

v round a particular method of learning eg correspondence college, Open College

vi out of a particular concern or focus of a voluntary organisation or charity

INFLUENCE AND DECISION MAKING

7.3 Internal decision making is dominated by senior managers and external funding bodies. Senior managers tend to be concerned with profitability and the amount of repeat business. Hence private providers tend to use a number of means of assessing the effectiveness of their training which other providers do not employ, including sales figures, client and student appraisal of provision, classroom evaluation, customer opinion surveys and assessment of trainees' effectiveness in their jobs.

7.4 As private providers generally offer short courses, the lead time needed to implement a major change in course provision is relatively short, at an average of nine months. This makes private providers among the more flexible of providers in terms of ability to innovate.

7.5 The development of TA programmes such as YTS, and the various adult programmes which preceded ET, have had an impact in widening the market for such providers to include more initial provision and adult retraining. There is evidence that a number of new providers have sprung up to tap into these new markets,

and some have subsequently attempted to diversify into other areas such as selling courses of training direct to employers.

DESCRIPTION OF EDUCATION AND TRAINING PROVIDED

7.6 Almost 3,000 private providers were believed to be operating in Britain in 1988. Six out of ten were specialists in training for particular occupations. The remainder were broad-based providers of training services, delivering provision over a wide range of occupational areas including management and supervisory training, new technology training, job-specific skills and the use of machinery and equipment. Most provide short courses or continuing provision to adults and see their main market as company based.

7.7 One example of a group of private providers are the Enterprise Agencies. These are local organisations independent of central Government. The majority take the form of private limited liability companies, though some are Trusts or Cooperatives, set up by local business people and/or Local Authorities. They are set up with the general objective of helping the development of a healthy local economic community, which they achieve by providing services to local small businesses, self-employed and entrepreneurs.

7.8 The first agencies started spontaneously in 1978 as a consequence of large scale redundancies in many industries and there are now over 400 agencies in the UK. As part of its efforts to support Enterprise Agencies, Government provides tax relief on donations to those 'approved' agencies which fulfil specific criteria laid down in legislation; these criteria include the need for agencies to be non-profit making. There are currently 320 'approved' agencies.

7.9 All Enterprise Agencies offer as a basic service business advice and counselling to clients; this is normally free. In addition other services may be available, including access to loan funds, managed work-space, business clubs, newsletters etc. These services may be charged for. Training Agency, eg Enterprise Allowance Scheme awareness days and other programmes which have now been integrated into Business Growth Training.

7.10 Advice and training given is usually concentrated on the small start-up business and will be informal, not leading towards qualifications. Government funded courses will have set standards, which as part of the contract the agency will have to meet. Agency staff are in many cases people who have retired from large firms or have run their own businesses. There is no requirement for them to be trained as trainers. Some training of Enterprise Agency staff is organised by Business in the Community, their umbrella organisation; this is sponsored by the Employment Department.

7.11 As agencies are independent organisations decisions on their activities are taken by their board of directors, or similar controlling body. These decisions are based on the needs of the local area, the abilities of the agency staff, and the funds available to the agency. Many are attracted to activities which will bring in additional income over and above the donations they receive. This has become more evident as the Government funds available become more limited.

7.12 All agencies rely on donations from the public and private sectors to maintain their existence. The Government provides support through two specific schemes, the Grant and Project schemes, both of which end in 1991. Enterprise Agencies are also eligible for grants from several other non-specific schemes if they meet the necessary criteria.

FUNDING

7.13 Government funds, usually channelled through the Training Agency, made up an important proportion of private providers' incomes, ranging from an average of one quarter in the for-profit sector to one half in the non-profit making sector. These funds were mainly in the form of non-recurrent grants in return for the delivery of specific forms of provision to particular client groups.

7.14 Private providers differ from most public sector providers in that many of them price all courses and places on a full cost recovery basis.

PATTERNS OF PARTICIPATION

7.15 Nearly 2.4 million people are estimated to have completed courses with private providers over a 12 month period. The average duration of private providers' courses was 28 days, with a range of one day to more than one year. Table 7.1 below gives more details.

Table 7.1

Training by Private providers by Category
GB, 1987/88 (Thousands)

Category	Number of People Completing Courses (1)	Estimated Proportion of Total Training Days (%)
Transport	69	8
Information Technology	135	2
Languages	61	6
Management	1,030	16
Secretarial/commercial	135	10
Other (2)	957	58
TOTAL	2,387(3)	100

Notes; (1) Includes both those who achieved a qualification after a long period of study and those who received only a few days of training.

(2) "Other" includes a wide variety of providers most of whom provide more than one type of training

(3) Some individuals may take more than one course of training in a year, so that this figure may slightly over-estimate the number of individual trainees receiving training from private providers.

8.1 Studies examining how providers behave within local labour markets identified three main types of provider:

- a dominant sector of major, publicly funded institutions, including Universities, Polytechnics and colleges of Higher and of Further Education
- an influential intermediate sector of non profit-making providers with a reasonable degree of autonomy from Government, including group training associations and industry training organisations
- a sector of for-profit providers, including secretarial and commercial colleges etc.

8.2 The major publicly funded establishments are oriented towards initial education and training provision and see their main market as school leavers. Short courses of continuing provision for employed adults formed an increasing part of their activity. Income generated from such sources was, however, small compared with that derived from Government sources, particularly through block grants. The work-related further education initiative and Education Reform Act are helping to make local education authority providers more responsive to the employers' market

8.3 Most private providers, whether in the intermediate sector or operating for profit, concentrated on delivering short courses or continuing provision to adults, and saw their main market as company based. The descriptions above of the many and varied activities and of the nature and scale of training and education arrangements available in each sector shows how buoyant the market is in the UK.

8.4 The increase in Government expenditure on training from £458 million in 1979 to £3 billion in 1989/90 has helped to stimulate the training supply side market. Many new training organisations have emerged to run the major Government training schemes for young people and adults. The introduction of competitive tendering for many Government contracts has stimulated competition. This means there are now more organisations capable of meeting employer as well as Government training needs at competitive rates.

8.5 The prevailing pattern is of different provider types catering for discrete markets, and within those markets, individual providers specialising in particular areas of provision. The tendency for providers to operate in niches was reflected in the attitudes of those employers who used external training providers. These employers perceive certain provider types as offering excellence in particular types of training, in

certain facilities, and in particular methods of delivery (see Table 8.1 below).

Table 8.1

The External Training Providers used for Different
Types of Training by Employers, 1987

Training Type	Universities	Polytechnics/ Colleges of HE	Colleges of FE	Skills Training Agency	Industry/ Sector Body	Other Private Provider
	%	%	%	%	%	%
Further/ Higher Educ Courses	34	22	17	2	2	2
Teaching Professional Skills	10	12	13	2	3	1
Manager/ Supervisory Training	3	30	7	13	20	13
Job Skills Training	6	17	29	42	16	12
Use of Equipment/ Machinery	-	3	4	5	11	17
Selling/ Sales/Retail	-	-	5	8	18	5
Health and Safety	1	1	9	5	5	7
Skills Relevant to New Technology	-	-	5	3	5	19
Other answers	46	15	11	20	20	24

Source: Training in Britain; Market Perspectives (Main Answers only)

8.6 Universities, Polytechnics and Colleges were seen as key providers of professional, management and supervisory training.

Skillcentres and FE Colleges were associated with job-specific skills training. Group and industry training organisations were perceived as particularly useful for sales training. Other private providers were associated with a variety of provision, including management and supervisory training, new technology training, job-specific skills and the use of machinery and equipment. Such perceptions were influential in guiding employers' purchasing decisions, thus reinforcing the tendency for providers to operate in particular niches.

8.7 There is little evidence of direct competition between providers within local labour markets, the only signs of more developed competition being within London. Competition was more apparent between providers of the same type across labour market areas, with Higher Education institutions competing with similar establishments across the country to attract the best students. Local competition is largely confined to higher-cost provision such as management and supervisory training which employers are particularly likely to purchase externally, and to areas such as secretarial and office skills, where demand is buoyant from a range of client groups. There is some overlap at craft level between courses run by FE Colleges, skillcentres, and group and industry training organisation, but even here the extent of direct competition was not marked.

8.8 Where competition does exist, it appears to be based more on the reputation of providers and the quality of their provision than on price. Employers considered level of expertise, quality and breadth of experience the most important factors in deciding which external providers to use. Obtaining value for money was often more important than obtaining the lowest price. Providers of all types reported difficulties in establishing and developing useful contacts with small firms, despite the fact that small firms appear more reliant on external provision than larger ones.

8.9 Providers of all types reported widespread change in the three years 1984-87. 95% of providers had introduced new courses, and nearly six in ten had introduced courses in completely new subject areas. Almost eight in ten had made significant moves into new forms of activity, such as short course provision, open learning and consultancy. Polytechnics and Colleges of Higher and of Further Education were particularly likely to have introduced new provision. Innovation often went hand-in-hand with rationalisation. More than half of providers had discontinued courses over the three year period, one in eight had shut down entire subject areas or departments and six out of ten had severely contracted certain areas of their activity without shutting them down completely. Other widespread changes include staff reorganisation, more flexible timetabling, and new links with employers, especially in Colleges of Higher or Further Education.

9.1. This section outlines the sources of information available to help consumers of further education and training discover what opportunities are available.

1. THE CAREERS SERVICE

9.2. The Careers Service is run by Education Authorities. It has a statutory responsibility to help school and college students identify and find suitable work or training, and the option, having satisfied this requirement, of providing a similar service to other people.

Services to Young people

9.3. Careers Officers visit all secondary schools and are available for interview with any school-leavers needing their guidance. They aim to relate the pupils' abilities to appropriate careers and to suggest relevant routes into these including YTS, Further Education or Higher Education.

9.4. The Careers Service placed 221,000 young people into YTS during 1987/88. This was about 90 per cent of total recruitment, a much higher proportion than in previous years. Since then there has been a continuing fall in the level of unemployment amongst young people. This is reflected in a 14% drop in the number of interviews carried out by the Careers Service with leavers from full-time education and the unemployed. This decrease has been balanced by an increase in the number of contacts with young people in employment.

9.5. In the general improving situation, the Service has paid increasing attention to the needs of the most disadvantaged client groups in the labour market. This work is often carried out in partnership with other social agencies. In Salford, for example, joint sessions have been organised by the Careers Service and the Probation Service to improve the job search techniques of clients.

Services for adults

9.6. The number of adults seeking information and guidance from the Careers Service continues to rise. Some Services have responded to the need by setting up Adult Guidance Units for redundancy retraining and counselling services. Others have become Training Agents to provide guidance and assessment for adults as part of the Employment Training programme.

Careers information and resource materials

9.7. The Careers and Occupational Information Centre (COIC), part of the Employment Department, produces careers information and guidance material and a range of information about education and training for both young people and adults. These include 'Which Way Now' for 14 year olds, 'Its Your Choice' for those over 16, 'Sponsorships '90', which lists examples of financial support from industry for higher education and 'Second Chances' on education and training opportunities for adults. COIC also produces an job reference manual (updated annually) and a database "MICRODOORS" (see para 9.10 below). COIC's publications are provided free to Careers offices and schools. Many Careers Services issue their own handbooks containing local information to complement the national publications.

2. PROSPECTI

9.8. Many training and further education institutions produce prospecti giving details of courses available, fees, type of institution and application procedures. There are also national compendiums of such information. One example is the Open Learning Directory, which lists some 1,500 open learning courses in its 1989 edition.

3. DATABASES

9.9. A recent trend has been to use new technology to store and access such information. One example is the PICKUP Training Directory. This is a computerised database containing details of over 19,000 work-related short courses and training opportunities available throughout the UK. Advertising in the directory is free to public sector educational and other institutions as well as non-profit making professional bodies. Private sector training providers have to pay a small fee. The data can be accessed on line or by micro-computer floppy disc, microfiche and compact disc. Charges are made for access to the data either by buying the whole directory or part of the directory on subscription on microfiche or computer disc or for accessing individual records. A print version of the Training Directory is also available.

9.10 COIC's MICRODOORS is an occupational information database which includes details of minimum entry and training requirements and relevant courses for over 500 jobs. It is updated three times a year. Searches can be made on about 200 personal, educational and occupational factors, and printouts of information can be obtained. OPENDOORS is an alternative version designed for the non-expert user. MICRODOORS is sold under licence, and operates on 11,000 sites in the UK.

9.11. ECCTIS (Educational Counselling and Credit Transfer Information System) is another computerised database of information, which holds information on courses of higher and further education drawn from across the UK. ECCTIS aims to cover all courses lasting six weeks or more which lead to recognised qualifications (from post-graduate degrees to non-advanced level, but excluding school leaving awards). However, its emphasis is on advanced courses. The database includes information for each course on location, level, mode of study, duration, content formal entry requirements and qualification received on completion. Information on almost 60,000 further and higher education courses in over 700 institutions (universities, polytechnics and publicly-funded colleges) is available. Access to ECCTIS information is achieved by subscription and either direct outline contact from users' remote computers, through PRESTEL's Education Service, or by purchasing CD Rom which contains ECCTIS and other database. The public can have free access to ECCTIS through facilities provided by the TAP (Training Access Points) service. In 1988 ECCTIS received 145,158 enquiries.

9.12. MARIS-NET (Materials and Resources Information Service Network) Maris-Net specialises in the provision of information about open and flexible learning materials, training resources; computer based training and interactive video; film and video; and short courses. It draws information from the whole of the UK. There are over 9,000 records of open learning materials. Methods of access are the same as for ECCTIS, except that access via PRESTEL is not available.

9.13. By providing funding for Training Access Points (TAPS) the Government is helping to ensure that attractively presented and accessible information on education and training opportunities is available for jobs at every level and in every sector of the economy. Every user of a Training Access Point has access to about 3,500 local courses (and details of such courses) held on local databases, together with over 80,000 national courses held on national databases.

9.14. There are currently around 30 TAP networks and 200 public computer terminals. Approximately 500,000 individuals are using TAP terminals per year, and monthly usage rates have been rising steadily.

9.15. The Coherence and Compatibility Initiative by a group of UK Government Departments aims to improve the effectiveness of the provision of education and training information to the public by electronic means. The initiative, which involves the preceding databases and others, aims to develop recognised standards for databases of education and training information and to recommend models of efficient methods of data collection.

4. THE MEDIA

9.16. Information is often disseminated through the media, such as periodicals, local, national and free newspapers, and local and national radio. These media may specialise in education and training matters or be more general in focus. Leafletting and advertising in local libraries, community centres, unemployed centres and the like is also popular, particularly for courses with a predominantly local catchment area.

5. OTHER INDIVIDUALS WITH RESPONSIBILITY FOR DISSEMINATION

9.17. It is part of the job of many individuals to act as a resource and contact point for those interested in training and further education. Such individuals include personnel and training officers within companies, trade union officials, probation officers, staff in the services of the Employment Department Employment Service, and youth and community workers.

10.1 About 300 examining and validating and professional bodies are involved in vocational education and training. Though their role in funding matters is minor, they exert a strong influence on vocational education and training provision. They affect course organisation, helping to determine the content of the curriculum, methods of assessment and standards. They also have a role in assisting providers to be aware of and responsive to the interests of industry and the needs of special groups.

MAJOR VALIDATING BODIES

10.2 The major examining and validating bodies are the Council for National Academic Awards, the Business and Technician Educational Council, the City and Guilds of London Institute for the Advancement of Technical Education, the Royal Society for the Advancement of Arts, Manufacturers and Commerce and the Scottish Vocational Education Council.

10.3 The Council for National Academic Awards (CNAA) was established by Royal Charter in 1964, with the purpose of promoting "the advancement of education, learning, knowledge and the arts by means of the grant of academic awards and distinctions".

10.4 The CNAA is the largest single degree-awarding body in the UK. Currently there are more than 208,000 students in over 140 institutions enrolled on some 2,100 CNAA-approved courses, and a further 4,000 students registered for CNAA research degrees. In total over one-third of all degree students in Britain are on CNAA degrees. CNAA courses are run in polytechnics, institutes of HE, colleges of art, colleges of technology, and Scottish central institutions. The CNAA's main task is to ensure that the standard of degrees awarded in the public institutions mentioned above is consistent with standards throughout HE in the UK.

10.5 The City and Guilds of London Institute (C&G) offers a range of qualifications for a variety of industrial and commercial activities. C&G does not run courses itself - these are run in colleges, adult education institutes and other centres. C&G awards are made at several levels, from those designed for 14 to 16 year-olds in school to those for senior management level in industry and commerce. C&G makes its awards on the basis of achievement rather than length of attendance on a course. There are no age limits restricting entry.

10.6 The Business and Technician Education Council (BTEC) offers a range of certificates and diplomas in business and technical subjects. The First Certificate and Diploma are broadly equivalent to the General Certificate of Secondary Education.

BTEC National awards are widely accepted as equivalent to General Certificate of Education Advanced level. Completion of a BTEC Higher National award can be recognised as equivalent to pass degree standard.

10.7 BTEC courses are developed locally on the basis of national criteria laid down by BTEC. Students are assessed locally, largely through continuous assessment. All assessment and grading is moderated by BTEC. The National and Higher National Certificates are normally two-year part-time courses. National and Higher National Diploma courses take two-years full time, three years as a sandwich course, or three years as a part-time course

10.8 The Royal Society of Arts provides a wide variety of qualifications in office and commercial studies and languages. Examinations are offered at three stages: Stage I - Elementary; Stage II - Intermediate; Stage III - Advanced. An increasing number of schemes are now being examined by in-course assessment procedures.

10.9 The Scottish Vocational Education Council (SCOTVEC) is the main vocational qualification body in Scotland. It was established in 1985 following a major reform of the vocational education provision in Scotland in 1984. SCOTVEC validates all further education courses in Scotland and awards National Certificates, Higher National Certificates and Higher National Diplomas. Together these form the National Certificate programme, a framework of modular provision including tailor made and off-the-peg components. It can cater for retraining, skills upgrading and off-the-job training for YTS. Equivalences are being established between SCOTVEC awards and those for C&G and other courses.

10.10 There are also a number of specialist bodies, for example the Nursery Nurses Examination Board, and professional bodies such as the Institute of Civil Engineers who award professional qualifications.

10.11 Many vocational qualifications are available by part-time study. They may be obtained either in Further Education Colleges, in the workplace or by a combination of both.

NATIONAL COUNCIL FOR VOCATIONAL QUALIFICATIONS (NCVQ)

10.12 NCVQ was established by the Government in 1986 following the publication of the White Paper "Working Together - Education and Training". The White Paper highlighted the need to reduce the confusion as to standards and levels of achievement within the current qualification system, and to base qualifications more directly upon the skills and competences recognised and required

by industry. NCVQ aims to promote, develop, implement and monitor a comprehensive system of vocational qualifications in England, Wales and Northern Ireland. NCVQ does not apply in Scotland where, following the major reforms in vocational qualifications referred to in paragraph 10.9 above, progress towards similar objectives is being achieved under the SCOTVEC arrangements.

10.13 NCVQ's main tasks are to (i) introduce a consistent national framework of vocational qualifications based on clearly defined levels of achievement to which qualifications can be assigned or accredited (ii) make qualifications more relevant by basing them on standards of competence required in employment.

10.14 NCVQ does not award qualifications. Rather, it accredits qualifications submitted to it by awarding bodies providing the qualifications and awarding bodies meet certain specified criteria. Once accredited, the qualifications are designated "National Vocational Qualifications (NVQs)".

10.15 NVQs incorporate specified standards in (a) the ability to perform in a range of work-related activities (b) the skills, knowledge and understanding which underpin such performance in employment. To meet NVQ criteria, qualifications are required to:

- be based on national standards of competence required for employment
- be based on competences achieved, that is, the outcomes of learning specified independently of any particular mode, duration or location of learning
- be awarded on the basis of reliable assessment undertaken in working or other appropriate environments
- be free from barriers which restrict access and progression
- be free from discriminatory practices

10.16 Responsibility for the specification of standards of competence which form the basis of NVQs lies with Industry Lead Bodies. These are the recognised standard-setting bodies for individual sectors of industry. The Employment Department Training Agency is also actively involved in promoting the development of occupational standards both through its Standards Programme and through support and coordination of the work of Industry Lead Bodies. The aim is that employment based standards will be established across all sectors and progressively adopted and utilised by awarding bodies.

10.17 NCVQ specifies that demonstrations of performance of work-related activities should feature in assessment procedures for all NVQs, and that for each area of competence "performance must be demonstrated and assessed under conditions as close as

possible to those under which it would normally be practiced." Ideally, assessment should be through observation of demonstration of performance in the workplace. However, methods of assessment are not prescribed and are flexible; for example performance can be demonstrated under simulated conditions or through tests, projects or assignments.

LEVELS OF ATTAINMENT

10.18 Table 10.1 below shows the highest qualifications obtained by all people of working age. The higher proportion of 16-19 and 20-24 year olds holding qualifications (71% and 80% respectively) than over 25s (62%) provides some evidence that educational and training arrangements for young people are leading to improved levels of attainment.

Table 10.1
All Persons of Working Age, Highest
Qualification held by Age, GB, 1988

Spring 1988 (provisional)	All persons (percent)			
	16-19	20-24	25+	All
Higher	0.5	9.8	15.5	13.3
Intermediate	14.8	29.3	21.8	22.1
Lower	54.1	38.3	16.3	22.9
Other	1.4	2.2	8.2	6.7
None	28.3	19.5	37.3	34.0
Don't know/no reply	0.9	0.9	1.0	1.0
All Qualifications	70.8	79.6	61.7	65.0

Source 1988 Labour Force Survey (provisional)

APPENDIX 1

TRAINING IN BRITAIN

A1.1 The programme of work undertaken for this study involved both drawing on existing research and other evidence and commissioning new research. Among the new research carried out in 1986 and 1987 were those listed below.

A1.2 A large scale survey of employers' training activities was carried out, representative of businesses employing 17.8 million people, some 90% of the employed workforce. It involved contacts with about one and a half thousand establishments and with 140 large organisations which were approached centrally. The survey was carried out by Deloitte, Haskins and Sells in association with IFF Research Ltd and has been published as "Training in Britain; Employers Activities".

A1.3 A study of employers' decision-making on training based on 20 in-depth case studies of firms' skill supply strategies was undertaken. The firms varied widely in sector, size and ownership. Researchers interviewed generalist and specialist managers at several levels in the firms and had access to company records. This was carried out by Professor Pettigrew, Dr Hendry and Dr Sparrow of the University of Warwick, in conjunction with Coopers and Lybrand. It has been published as "Training in Britain; Employers - Perspectives on Human resources".

A1.4 A combined series of studies on wider labour market issues was carried out, focussing on interaction between employers and providers in 5 local labour markets and in selected occupational sectors in a conurbation. About 100 employers were interviewed in each location and all the major providers in each area were approached. This work was carried out by Training Agency officials, the Institute of Manpower Studies, Research Surveys of Great Britain and a number of academic consultants. It has been published as "Training in Britain; Market Perspectives".

A1.5 A survey was made of the perceptions, attitudes, activity and decision making of economically active adults aged 19-60 with respect to training, based on interviews with over 2,500 people. This was carried out by the Policy Studies Institute and has been published as "Training in Britain; Individuals Perspectives".

APPENDIX 2 GLOSSARY OF ABBREVIATIONS USED

ATO	Approved Training Organisation
BTEC	Business and Technician Education Council
BGT	Business Growth Training
BVT	Basic Vocational Training (Northern Ireland)
CBI	Confederation of British Industry
C&G	City and Guilds of London Institute
CLEA	Council of Local Education Authorities
CNAA	Council for National Academic Awards
COIC	Careers and Occupational Information Centre
DED	Department of Economic Development (Northern Ireland)
DENI	Department of Education for Northern Ireland
DES	Department of Education and Science
DTI	Department of Trade and Industry
ECCTIS	Educational Counselling and Credit Transfer Information System
ED	Employment Department
EHE	Enterprise in Higher Education
ERA	Education Reform Act 1988
ET	Employment Training
FE	Further Education
GB	Great Britain
GCE "A" level	General Certificate of Education Advanced level
GCSE	General Certificate of Secondary Education
GDP	Gross Domestic Product
HE	Higher Education
ITeC	Information Technology Centre
ITO	Industry Training Organisation
JTP	Job Training Programme (Northern Ireland)
LCP	Local Collaborative Project
LEA	Local Education Authority
MARIS-NET	Materials and Resources Information Service Network
MCI	Management Charter Initiative

NCITO	National Council of Industry Training Organisations
NCVQ	National Council for Vocational Qualifications
NFMED	National Forum for Management Education and Development
NVQ	National Vocational Qualification
PCFC	Polytechnics and Colleges Funding Council
PICKUP	Professional, Industrial and Commercial Updating Programme
RSA	Royal Society of Arts
RTO	Recognised Training Organisation (Northern Ireland)
SCE Ordinary	Scottish Certificate of Education Ordinary level
SCE Higher	Scottish Certificate of Education Higher level
SCOTVEC	Scottish Vocational Education Council
SED	Scottish Education Department
TA	Training Agency
TAP	Training Access Point
TCS	Teaching Company Scheme
TEC	Training and Enterprise Council
TUC	Trade Union Congress
TVEI	Technical and Vocational Education Initiative
UDC	Urban Development Corporation
UFC	Universities Funding Council
UK	United Kingdom
VAT	Value Added Tax
WRFE	Work Related Further Education
YTP	Youth Training Programme (Northern Ireland)
YTS	Youth Training Scheme